

GOODWIN, PROCTER & HOAR

(A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS)

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August 29, 1990

RECORDATION NO. 16984-B
15084
FILED 1425
AUG 30 1990 9 45 AM

INTERSTATE COMMERCE COMMISSION
0-242A000

Ms. Noreta R. McGee
Secretary
Interstate Commerce Commission
Twelfth Street and Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Secretary:

I have enclosed two originals of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is an Equipment Trust Agreement (the "Trust Agreement"), a primary document, dated as of August 15, 1990.

The names and addresses of the parties to the document are as follows:

Shawmut Bank, N.A., as Trustee
One Federal Street
Boston, Massachusetts 02211

and

Massachusetts Bay Transportation Authority
Transportation Building
Ten Park Plaza
Boston, Massachusetts 02116

A description of the equipment covered by the document follows:

Ninety-seven (97) commuter rail passenger coaches (the "Equipment") manufactured by Bombardier Inc. (the "Manufacturer"), sold to Massachusetts Bay Transportation Authority ("MBTA"), and identified by the MBTA identification numbers (and AAR designations) and the Manufacturer's identification numbers set forth on Exhibit A hereto (which also contains a more particular description of the Equipment).

GOODWIN, PROCTER & HOAR

Secretary, Interstate Commerce Commission
August 29, 1990
Page 2

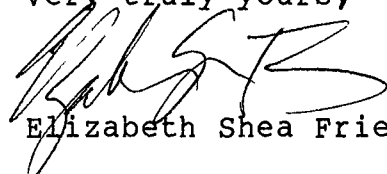
A fee of \$15.00 is enclosed. Please date stamp and return one original and any extra copies not needed by the Commission for recordation to the undersigned.

A short summary of the document to appear in the index follows:

Equipment Trust Agreement between
Shawmut Bank, N.A., Trustee, and
Massachusetts Bay Transportation Authority,
dated as of August 15, 1990, covering 97
Commuter Rail Passenger Coaches.

Please acknowledge receipt of this transmittal letter and its enclosures by appropriately stamping the enclosed copy of this letter and returning it to the undersigned in the addressed envelope enclosed for your convenience.

Very truly yours,



Elizabeth Shea Fries

Enclosures: Equipment Trust Agreement (with Schedule and
Exhibits) - Two Notarized Originals
Transmittal Letter (copy)
Check (\$15.00)
Return Envelope (Postage Prepaid)

Attachment: Exhibit A

YP-7648/M

EXHIBIT A

DESCRIPTION OF EQUIPMENT

The Equipment which is the subject of the Trust Agreement consists of ninety-seven (97) commuter rail passenger coaches manufactured by Bombardier Inc., and designed for push-pull operation in a train consisting of up to eleven cars. The cars are of two types: control trailer cars which are equipped with an enginemans's control compartment and blind trailer cars which are not equipped with controls. The control trailer car configuration permits control of the locomotive from the enginemans's control compartment which converts into a normal vestibule area when the locomotive is leading. Although the control trailer car will normally be located at the end of the train farthest from the locomotive, a control trailer can be placed in any position throughout the train, in which case it will function as a blind trailer car. Both the control trailer car and the blind trailer car have a total seating capacity of 122 passengers with a seating arrangement comprising 22 triple seats, 24 double seats, 1 bulkhead double seat, 1 double folding seat without wheelchair tiedown device, and 2 double folding seats with wheelchair tiedown device. The cars will be used by the MBTA in connection with its commuter rail service.

Each coach is more particularly described below:

	<u>MBTA</u> <u>IDENTIFICATION NUMBER</u>	<u>MANUFACTURER'S</u> <u>IDENTIFICATION NUMBER</u>
1.	600	399
2.	601	401
3.	602	403
4.	603	405
5.	604	407
6.	605	409
7.	606	411
8.	607	413
9.	608	415
10.	609	417
11.	610	419
12.	611	421
13.	612	423
14.	613	425
15.	614	427
16.	615	429
17.	616	431
18.	617	433
19.	618	435
20.	619	437

	<u>LESSOR'S</u> <u>IDENTIFICATION NUMBER</u>	<u>MANUFACTURER'S</u> <u>IDENTIFICATION NUMBER</u>
21.	620	439
22.	621	441
23.	622	443
24.	623	445
25.	624	447
26.	625	449
27.	626	451
28.	627	453
29.	628	505
30.	629	507
31.	630	509
32.	631	511
33.	632	513
34.	633	515
35.	634	517
36.	635	519
37.	636	521
38.	637	523
39.	638	525
40.	639	527
41.	640	529
42.	641	531
43.	642	533
44.	643	535
45.	644	537
46.	645	539
47.	646	541
48.	647	543
49.	1600	398
50.	1601	400
51.	1602	402
52.	1603	404
53.	1604	406
54.	1605	408
55.	1606	410
56.	1607	412
57.	1608	414
58.	1609	416
59.	1610	418
60.	1611	420
61.	1612	422
62.	1613	424
63.	1614	426
64.	1615	428
65.	1616	430
66.	1617	432
67.	1618	434

	<u>LESSOR'S</u> <u>IDENTIFICATION NUMBER</u>	<u>MANUFACTURER'S</u> <u>IDENTIFICATION NUMBER</u>
68.	1619	436
69.	1620	438
70.	1621	440
71.	1622	442
72.	1623	444
73.	1624	446
74.	1625	448
75.	1626	450
76.	1627	452
77.	1628	504
78.	1629	506
79.	1630	508
80.	1631	510
81.	1632	512
82.	1633	514
83.	1634	516
84.	1635	518
85.	1636	520
86.	1637	522
87.	1638	524
88.	1639	526
89.	1640	528
90.	1641	530
91.	1642	532
92.	1643	534
93.	1644	536
94.	1645	538
95.	1646	540
96.	1648	544
97.	1650	548

[EQUIPMENT TRUST AGREEMENT]

15984
RECORDATION NO. FILED 1425

AUG 30 1990 -9 45 AM

INTERSTATE COMMERCE COMMISSION

EQUIPMENT TRUST AGREEMENT

Dated as of August 15, 1990

by and between

SHAWMUT BANK, N.A., as Trustee

and

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY

97 Bombardier Commuter Rail Passenger Coaches

EQUIPMENT TRUST AGREEMENT

TABLE OF CONTENTS

(This Table of Contents is not a part of the Equipment Trust Agreement and is only for convenience of reference.)

	<u>Page</u>
ARTICLE I - DEFINITIONS.....	1
Section 1.1 Definitions.....	1
Section 1.2 Interpretations.....	1
ARTICLE I-A - REPRESENTATIONS, WARRANTIES AND COVENANTS.....	2
Section 1-A.1 Representations, Warranties and Covenants by the ETA Trustee.....	2
Section 1-A.2 Representations, Warranties and Covenants by MBTA.....	3
ARTICLE II - CONCERNING THE CERTIFICATES.....	5
Section 2.1 Authorization and Terms of Certificates.....	5
Section 2.2 Place, Manner and Source of Payment of Certificates.....	6
Section 2.3 Execution of Certificates.....	7
Section 2.4 Registration, Exchange and Transfer of Certificates; Certificate Register.....	7
Section 2.5 Book-Entry Only System.....	8
Section 2.6 Replacement Certificates.....	9
Section 2.7 Ownership of Certificates.....	10
Section 2.8 Description, Terms and Form of Certificates.....	10
Section 2.9 Temporary Certificates.....	11
Section 2.10 Tax Exemption Covenant.....	11
ARTICLE III - MUNICIPAL LEASE; MUNICIPAL SUBLEASE.....	12
Section 3.1 Municipal Lease.....	12
Section 3.2 Municipal Sublease.....	12

	<u>Page</u>
ARTICLE IV - FUNDS.....	13
Section 4.1 Creation of Funds.....	13
Section 4.2 Disposition of Proceeds.....	13
Section 4.3 Rebate Fund.....	13
Section 4.4 Certificate Fund.....	15
Section 4.5 Equipment Lease Fund.....	16
Section 4.6 Discontinuance of Funds or Accounts...	17
Section 4.7 Reports by the ETA Trustee.....	17
Section 4.8 Disposition of Investment Earnings....	18
ARTICLE V - SECURITY FOR DEPOSITS; INVESTMENTS OF FUNDS..	18
Section 5.1 Moneys are Trust Funds.....	18
Section 5.2 Investment or Deposit of Funds.....	18
Section 5.3 Valuation of Funds.....	19
ARTICLE VI - REDEMPTION OF CERTIFICATES.....	19
Section 6.1 Redemption of Certificates.....	19
Section 6.2 Application of Moneys.....	21
Section 6.3 Notice of Redemption.....	22
Section 6.4 Partial Redemptions.....	25
Section 6.5 Cancellation of Certificates.....	26
ARTICLE VII - REMEDIES.....	26
Section 7.1 Remedies on Municipal Sublease Event of Default or Event of Nonappropriation.....	26
Section 7.2 Discontinuance of Proceedings.....	27
Section 7.3 Direction of Proceedings.....	28
Section 7.4 Limitations on Actions.....	28
Section 7.5 Remedies Not Exclusive; Rights.....	29
Section 7.6 Delays; Omissions.....	29
Section 7.7 Enforceability by the ETA Trustee.....	29
Section 7.8 Limitation on Obligations.....	30
ARTICLE VIII - CONCERNING THE ETA TRUSTEE.....	30
Section 8.1 Acceptance of Trust.....	30
Section 8.2 Certain Rights of the ETA Trustee.....	30
Section 8.3 Compensation for Services; Indemnification.....	30
Section 8.4 Certain Exculpatory Provisions.....	31

	<u>Page</u>
Section 8.5 Notice of Municipal Sublease Event of Default and Event of Nonappropriation; Knowledge.....	32
Section 8.6 Liability of the ETA Trustee.....	32
Section 8.7 The ETA Trustee May Deal in Certificates.....	33
Section 8.8 Resignation.....	33
Section 8.9 Removal.....	33
Section 8.10 Vacancy in Office.....	33
Section 8.11 Qualification of Successor ETA Trustee.....	34
Section 8.12 Acceptance of Trust by Successor ETA Trustee.....	35
Section 8.13 Successor Corporation as the ETA Trustee.....	35
ARTICLE IX - EVIDENCE OF OWNER'S ACTION AND OWNERSHIP OF CERTIFICATES.....	35
Section 9.1 Evidence on Which the ETA Trustee May Act.....	35
Section 9.2 Other Evidence.....	36
ARTICLE X - AMENDMENTS AND MODIFICATIONS.....	36
Section 10.1 Amendments Without Consent.....	36
Section 10.2 Amendments Requiring Consent.....	37
Section 10.3 The ETA Trustee Authorized to Join in Amendments and Supplements; Reliance on Counsel.....	38
ARTICLE XI - POWER OF SALE.....	38
ARTICLE XII - SECURITY INTEREST.....	39
Section 12.1 Grant of Security Interest.....	39
Section 12.2 Enforcement of Security Interest.....	40
ARTICLE XIII - MISCELLANEOUS.....	41
Section 13.1 Parties Interested.....	41
Section 13.2 Unclaimed Moneys.....	41
Section 13.3 Binding Effect.....	41
Section 13.4 Severability.....	41
Section 13.5 Notices.....	41
Section 13.6 Captions.....	43
Section 13.7 Execution in Counterparts.....	43
Section 13.8 Applicable Law.....	43
Section 13.9 Defeasance.....	43
Section 13.10 The Certificate Insurer.....	43

THIS EQUIPMENT TRUST AGREEMENT dated as of August 15, 1990 is executed by and between SHAWMUT BANK, N.A., a national banking association, as the ETA Trustee, and MASSACHUSETTS BAY TRANSPORTATION AUTHORITY, a body corporate and politic, organized and existing under the laws of The Commonwealth of Massachusetts.

W I T N E S S E T H :

WHEREAS, MBTA has determined that the accomplishment of its statutory purposes under the Act requires the partial replacement and substantial expansion of its fleet of commuter railcars, and the financing of such replacement and expansion, and desires to accomplish these objectives upon the most financially advantageous basis possible; and

WHEREAS, MBTA is authorized by the Act, consistent with the Constitution and laws of the Commonwealth, to buy, sell, lease, pledge and otherwise deal with real and personal property incident to carrying out its statutory purposes; and

WHEREAS, in order to further these purposes, the ETA Trustee will, at the direction of MBTA, issue, and cause to be delivered against payment therefor, the Certificates, as described herein and pursuant to the terms and conditions hereof;

NOW, THEREFORE, in accordance with the mutual covenants and agreements set forth herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. Capitalized terms and phrases used herein shall for all purposes of this Agreement, including the preceding recitals, have the respective meanings specified therefor in Schedule X hereto.

Section 1.2 Interpretations. All references in this instrument to designated "Articles," "Sections" and other subdivisions are, unless otherwise specified, to the designated Articles, Sections and subdivisions of this instrument as originally executed. The words "hereof," "herein," "hereto," "hereby" and "hereunder" (except in the form of the Certificate) refer to this entire Agreement. Words importing persons include firms, associations and corporations; all words importing the singular number include the plural number and

vice versa; and all words importing the masculine gender include the feminine gender.

ARTICLE I-A

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 1-A.1 Representations, Warranties and Covenants by the ETA Trustee. The ETA Trustee represents, warrants and covenants, as the case may be, to MBTA that:

(a) SB is a national banking association duly organized and validly existing under the laws of the United States of America. SB is authorized to enter into the transactions contemplated by this Agreement and to serve as the ETA Trustee and to carry out its obligations hereunder. SB, as the ETA Trustee, has been duly authorized to execute and deliver this Agreement.

(b) The ETA Trustee is authorized, and will take all necessary action on its part to be taken, to issue the Certificates.

(c) The execution and delivery of this Agreement, the Municipal Lease and the Municipal Sublease, the consummation of the transactions described herein and therein, and the fulfillment of or compliance with the terms, conditions or provisions of this Agreement, the Municipal Lease and the Municipal Sublease will not conflict with or result in a breach of the terms, conditions or provisions of any corporate restriction or any agreement or instrument to which the ETA Trustee is now a party or by which it is bound, or constitute a default under any of the foregoing.

(d) No Government Approval of any Governmental Authority under the laws of the Commonwealth or the United States of America governing the trust powers of the ETA Trustee, and no filing, recording, publication or registration in any public office or any other place, is required under the laws of the Commonwealth or the United States of America governing the trust powers of the ETA Trustee to authorize the execution, delivery and performance by the ETA Trustee of this Agreement, the Municipal Lease or the Municipal Sublease.

(e) The ETA Trustee agrees that it will not directly or indirectly cause, create, incur, assume or suffer to exist any Lessor Lien attributable to it on or with respect to any Item of Equipment, the Municipal Lease or the Municipal Sublease or any interest therein, or any portion of the Equipment, the Municipal Lease or the Municipal Sublease, and

that it will promptly cause any such Lessor Lien to be discharged at its own expense.

Section 1-A.2 Representations, Warranties and Covenants by MBTA. MBTA represents, warrants and covenants, as the case may be, to the ETA Trustee that:

(a) MBTA is a public body corporate and politic duly organized and existing under the Constitution and laws of the Commonwealth. Under the Act, MBTA has power to enter into this Agreement, the Municipal Lease and the Municipal Sublease and to carry out its obligations hereunder and thereunder. MBTA has duly authorized the execution and delivery of this Agreement, the Municipal Lease and the Municipal Sublease.

(b) The execution and delivery of this Agreement, the Municipal Lease and the Municipal Sublease, the consummation of the transactions described herein and therein, and the fulfillment of MBTA's compliance with the terms, conditions and provisions of this Agreement, the Municipal Lease and the Municipal Sublease will not conflict with or result in a breach of the terms, conditions or provisions of any corporate restriction or any agreement or instrument to which MBTA is now a party or by which it is bound, or constitute a default under any of the foregoing.

(c) Immediately prior to the execution of this Agreement, MBTA was the owner of all right, title and interest in and to the Equipment and its right, title and interest therein was subject to no liens or encumbrances other than Permitted Liens.

(d) Except for the filing of financing statements (and continuation statements with respect to such financing statements) and submissions to the Interstate Commerce Commission in accordance with Article XII hereof, no material Government Approval of any Governmental Authority (other than as has already been obtained or is in the process of being obtained) is now, or in the future will be (in either case, under existing United States law), required or necessary to authorize the execution, delivery and performance of this Agreement, the Municipal Lease and the Municipal Sublease, or for the legality, validity, binding effect or enforceability thereof or (except for action to be taken from time to time by the Advisory Board and the General Court of the Commonwealth) for the making of any payment or the transfer or the remittance of any funds to be made thereunder or in order to establish and perfect the security interest of the ETA Trustee in the Equipment as against third parties.

(e) MBTA shall not consolidate with or merge into any other entity or convey, transfer or lease substantially all of its assets as an entirety to any Person, unless:

(i) the entity formed by such consolidation or into which MBTA is merged or the Person which acquired by conveyance, transfer or lease substantially all of the assets of MBTA as an entirety (A) shall be an entity organized and existing under the laws of the United States of America or any state thereof or the District of Columbia and (B) shall execute and deliver to the ETA Trustee an agreement satisfactory in form and substance to the ETA Trustee and the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy) containing an effective assumption by such successor entity of the due and punctual performance and observance of each covenant and condition to be performed or observed by MBTA under the terms of and all liabilities, obligations and duties of MBTA with respect to this Agreement, the Municipal Lease and the Municipal Sublease;

(ii) immediately after giving effect to such transaction, no Municipal Sublease Event of Default and no Municipal Sublease Default shall have occurred and be continuing;

(iii) MBTA shall have delivered to the ETA Trustee and to the Certificate Insurer a certificate signed by two officers, one of which shall be the General Manager and the other shall be the Treasurer-Controller or the General Counsel or other Counsel selected by MBTA and satisfactory to the ETA Trustee and the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy), each stating (A) that such consolidation, merger, conveyance, transfer or lease and the assumption agreement mentioned in clause (i) above comply with this Section 1-A.2(e), (B) that all conditions precedent herein relating to such transfer have been complied with, and (C) that the new sublessee has the power and authority to operate the Equipment and perform its obligations under this Agreement, the Municipal Lease and the Municipal Sublease;

(iv) such transaction shall not adversely affect the exclusion from gross income for federal income tax purposes of the Interest Component of the Certificates and MBTA shall furnish or cause to be furnished to the ETA Trustee an opinion of Special Counsel to that effect; and

(v) after taking into account the effect of the protections afforded to the ETA Trustee by the Contract Clause of the United States Constitution, the credit support of the Commonwealth in respect of MBTA as provided by the Contract for Financial Assistance and the Contract Assistance Provisions shall remain substantially in full force and effect.

Upon any consolidation or merger, or any conveyance, transfer or lease of substantially all of the assets of MBTA as an entirety in accordance with this Section 1-A.2(e), the successor entity formed by such consolidation or into which MBTA is merged or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, and shall be bound to perform every duty and obligation of MBTA under this Agreement, the Municipal Lease and the Municipal Sublease with the same effect as if such successor entity had been a party hereto and thereto. Nothing contained herein shall permit any lease, sublease or other arrangement for the use, operation or possession of the Equipment except in compliance with the applicable provisions of the Municipal Lease and the Municipal Sublease.

ARTICLE II

CONCERNING THE CERTIFICATES

Section 2.1 Authorization and Terms of Certificates.
There is hereby created for issuance under this Agreement an issue of Certificates of Participation ("Certificates"). The Certificates shall each evidence an interest in all of the right, title and interest of the ETA Trustee in the Municipal Lease and the Municipal Sublease, including the Rental Payments, shall each be substantially in the form of Exhibit A attached hereto and made a part hereof, with appropriate insertions, omissions and variations, and shall be dated and numbered and shall have Principal Components and Interest Components as more particularly set forth in Section 2.8. MBTA hereby directs that Certificates having an aggregate amount of Principal Components not exceeding \$85,795,000 shall be issued hereunder upon receipt by the ETA Trustee of the following:

- (i) An original duly executed counterpart of this Equipment Trust Agreement;
- (ii) An original duly executed counterpart of the Municipal Lease;
- (iii) An original duly executed counterpart of the Municipal Sublease;

(iv) A request of and authorization to the ETA Trustee on behalf of MBTA and signed by an Authorized Officer of MBTA to execute and deliver such Certificates to the purchaser or purchasers therein identified upon payment to the ETA Trustee, but for the account of MBTA, of a sum specified in such request and authorization plus any accrued interest thereon, calculated at the rate stated thereon as the interest rate for the Interest Component thereof to the date of delivery;

(v) The payment or payments to be received from the purchaser or purchasers identified in the request and authorization referred to in clause (iv) above; and

(vi) An opinion of Special Counsel in substantially the form attached hereto as Exhibit C.

Section 2.2 Place, Manner and Source of Payment of Certificates.

(a) The Principal Component and Interest Component of Certificates shall be payable to the Owners thereof in lawful money of the United States of America which at the time of payment is legal tender for the payment of public and private debts therein.

(b) The Interest Component of Certificates shall be calculated on the basis of a 30-day month and a 360-day year. The Interest Component of Certificates shall be calculated from the Interest Payment Date to which the Interest Component of Certificates has been paid or duly provided for or if no Interest Component of Certificates has been paid or duly provided for, from the dated date of the Certificates; provided, however, that if a Certificate is executed between a Record Date and the next succeeding Interest Payment Date, the Interest Component of such Certificate shall be calculated from such succeeding Interest Payment Date.

(c) The Principal Component of a Certificate shall be paid on the Principal Payment Date for such Certificate and the Interest Component of a Certificate shall be paid on each Interest Payment Date for such Certificate (or if any such Principal Payment Date or Interest Payment Date is not a Business Day, then on the next preceding Business Day). The payment of the Interest Component of Certificates shall be by check mailed by the ETA Trustee to the Owners of the Certificates as shown on the Certificate Register maintained by the ETA Trustee at the close of business on the Record Date and at the addresses appearing on the Certificate Register; provided, however, that if an Owner (i) requests in writing, prior to the relevant Record Date, that the ETA Trustee make payment of the Interest Component of such Certificate in a manner other than as set forth above, and the ETA Trustee

agrees to make such payment in the manner requested, and (ii) pays the ETA Trustee in advance for any costs that the ETA Trustee incurs in complying with such request, then the ETA Trustee shall make payment with respect to such Certificate in accordance with such Owner's request. The Principal Component of a Certificate shall be paid upon surrender of the Certificate to the ETA Trustee at its principal corporate trust office.

Section 2.3 Execution of Certificates.

(a) Certificates shall be manually executed on behalf of the ETA Trustee by an Authorized Officer of the ETA Trustee.

(b) A Certificate shall not be valid until executed on behalf of the ETA Trustee by the manual signature of the officer of the ETA Trustee specified in Section 2.3(a). Such signature shall be conclusive evidence that the Certificate has been executed under this Agreement.

Section 2.4 Registration, Exchange and Transfer of Certificates; Certificate Register.

(a) The ETA Trustee shall keep or cause to be kept at its principal corporate trust office books for the registration, exchange and transfer of Certificates in the manner provided therein and herein so long as any of such Certificates shall remain Outstanding. No transfer of Certificates shall be valid unless made by the Owner in person or by its duly authorized attorney at the principal corporate trust office of the ETA Trustee, upon surrender of such Certificates accompanied by a duly executed instrument of transfer in form and with guaranty of signature satisfactory to the ETA Trustee. Upon such transfer a new fully registered Certificate or Certificates of the same maturity, in authorized denominations, and bearing the same rate of interest shall be issued to the transferee.

(b) The ETA Trustee shall exchange, register or transfer or cause to be exchanged, registered or transferred Certificates, as herein provided, under such reasonable regulations as it may prescribe. At the option of the Owner, Certificates may be exchanged for other Certificates of any other authorized denomination or denominations of a like aggregate principal amount and maturity, upon surrender of the Certificates to be exchanged at the principal corporate trust office of the ETA Trustee. Whenever any Certificates are so surrendered for exchange, the ETA Trustee shall execute and deliver the Certificates which the Owner making the exchange is entitled to receive. The ETA Trustee shall serve as the registrar for the purpose of registering, exchanging and

transferring the Certificates. The books kept pursuant to this Section are herein referred to as the Certificate Register.

(c) Registration and transfer of registration of Certificates authorized under this Section 2.4 shall be made without charge to the Owner of any Certificate; provided, however, that the Owner, as a condition precedent to the exercise of such privilege, shall pay any taxes, fees or other governmental charges imposed thereon.

(d) Upon the occurrence of an Event of Default under Section 11.1(a) of the Municipal Sublease or an Event of Nonappropriation, the ETA Trustee shall grant the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy) reasonable access to inspect and copy the Certificate Register during the regular business hours of the ETA Trustee; provided, however, that the ETA Trustee, notwithstanding anything to the contrary contained in this Section 2.4(d), shall grant the Certificate Insurer reasonable access to inspect and copy the Certificate Register for the express purpose of making future payments to the Owner of any Certificate pursuant to the Certificate Insurance Policy.

Section 2.5 Book-Entry Only System.

(a) Certificates of Participation will, at the direction of MBTA, be issued in the form of a separate single fully registered Certificate for each maturity in substantially the form of Exhibit A attached hereto. On the date of original delivery thereof, such Certificates shall be registered in the Certificate Register in the name of CEDE & CO., as nominee of DTC. MBTA and the ETA Trustee shall have no responsibility or obligation to any DTC Participant or to any Beneficial Owner with respect to the following: (A) the accuracy of the records of DTC, CEDE & CO., or any DTC Participant with respect to any ownership interest in the Certificates; (B) the delivery to any DTC Participant, any Beneficial Owner or any other Person, other than DTC, of any notice with respect to the Certificates, including any notice of redemption; or (C) the payment to any DTC Participant, any Beneficial Owner or any other Person, other than DTC, of any amount with respect to the Certificates. The ETA Trustee shall make payments with respect to the Certificates only to or upon the order of DTC, and all such payments shall be valid and effective fully to satisfy and discharge the obligations with respect to such Certificates to the extent of the sum or sums so paid. Except as provided in Sections 2.5(b) or 2.5(c), no Person other than DTC shall receive a Certificate. Upon delivery by DTC to the ETA Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of CEDE & CO., the words

"CEDE & CO." in this Agreement shall be read to refer to such new nominee of DTC.

(b) Upon receipt by MBTA and the ETA Trustee of written notice from DTC to the effect that DTC is unable or unwilling to discharge its responsibilities, the ETA Trustee (i) shall promptly inform the Certificate Insurer of receipt of such notice and (ii) shall issue, transfer and exchange Certificates requested by DTC in appropriate amounts and whenever DTC requests MBTA and the ETA Trustee to do so. MBTA and the ETA Trustee will cooperate with DTC in taking appropriate action after reasonable notice (A) to arrange for a substitute depository willing and able upon reasonable and customary terms to maintain custody of the Certificates or (B) to make available Certificates registered in whatever name or names the Beneficial Owners transferring or exchanging such Certificates shall designate.

(c) In the event that MBTA determines that it is in the best interest of the Beneficial Owners that they be able to obtain physical certificates representing the Certificates, MBTA shall so notify DTC, the ETA Trustee and the Certificate Insurer, whereupon DTC will notify the DTC Participants of the availability through DTC of physical certificates representing the Certificates. In such event, the ETA Trustee shall issue, transfer and exchange physical certificates representing the Certificates as requested by DTC in appropriate amounts and in authorized denominations.

(d) Notwithstanding any other provision of this Agreement to the contrary, so long as any Certificate is registered in the name of CEDE & CO., as nominee of DTC, all payments with respect to such Certificate and all notices with respect to such Certificate shall be made and given, respectively, to DTC as provided in a representation letter in the form required by DTC and acceptable to the ETA Trustee and MBTA.

(e) Notwithstanding any provision in this Agreement to the contrary, so long as all of the Certificates Outstanding are registered in the name of CEDE & CO., as nominee of DTC, if less than all of such Certificates of any one maturity are to be redeemed upon any redemption of Certificates hereunder, the particular Certificates or portions of Certificates of such maturity to be redeemed shall be selected by DTC in such manner as DTC may determine.

Section 2.6 Replacement Certificates. Upon receipt by the ETA Trustee of evidence satisfactory to it that any Outstanding Certificate has been mutilated, destroyed, lost or stolen, and of indemnity satisfactory to it, the ETA Trustee shall execute and deliver a new Certificate of the same maturity and of like

tenor in exchange and in substitution for, and upon surrender and cancellation of, the mutilated Certificate or in lieu of and in substitution for the Certificate so destroyed, lost or stolen.

Any Owner requesting a new Certificate executed and delivered under the provisions of this Section shall pay the expenses, including attorneys' fees in connection with such transfer, which may be incurred by the ETA Trustee in connection therewith. In case any such mutilated, destroyed, lost or stolen Certificate has become or is about to become due and payable, the ETA Trustee, in its discretion, may, instead of issuing a new Certificate, make the payment thereof when such payment is due.

Any Certificate issued under the provisions of this Section 2.6 in lieu of any Certificate alleged to be mutilated, destroyed, lost or stolen shall constitute an original additional direct interest in the Municipal Lease and the Municipal Sublease, including the Rental Payments, whether or not the Certificate so alleged to be mutilated, destroyed, lost or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Agreement to the same extent and in lieu of the Certificate being replaced.

Section 2.7 Ownership of Certificates. The ETA Trustee shall treat the Owner of any Certificate as the absolute owner of such Certificate for all purposes whether or not such Certificate shall be overdue, and the ETA Trustee shall not be affected by any notice to the contrary. Any consent, waiver or other action taken by the Owner of any Certificate shall be conclusive and binding upon such Owner, its heirs, successors or assigns, and upon all transferees of such Certificate whether or not notation of such consent, waiver or other action shall have been made on such Certificate or on any Certificate issued in exchange therefor.

Section 2.8 Description, Terms and Form of Certificates.

(a) Certificates shall be numbered consecutively beginning with R-1.

(b) Certificates shall be dated August 15, 1990.

(c) Each Certificate shall, with respect to Rental Payments, represent (i) a Principal Component payable upon the Principal Payment Date of such Certificate in an integral multiple of \$5,000, which Principal Payment Date and the amount of which Principal Component shall be stated on the face of such Certificate, and (ii) an Interest Component payable on each Interest Payment Date up to and including the Principal Payment Date of or earlier Redemption Date with respect to such

Certificate, which Interest Component shall be stated as a simple annual interest rate on the face of such Certificate.

(d) Subject to Section 2.5, the Certificates shall be in substantially the form of Exhibit A attached hereto, with necessary or appropriate variations, omissions and insertions permitted or required by this Agreement.

Section 2.9 Temporary Certificates. Until definitive Certificates are ready for delivery, the ETA Trustee may prepare and execute temporary Certificates. Temporary Certificates shall be substantially in the form of definitive Certificates but may have variations that the ETA Trustee considers appropriate for temporary Certificates. Every temporary Certificate shall be executed and registered by the ETA Trustee upon the same conditions, and with like effect, as a definitive Certificate. The ETA Trustee shall prepare definitive Certificates in exchange for temporary Certificates without unreasonable delay.

Section 2.10 Tax Exemption Covenant. It is the intention of the parties hereto that the Interest Component of Certificates payable on any Interest Payment Date ("Interest") shall be interest excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code. In order to maintain the exclusion from gross income of the Interest for federal income tax purposes, MBTA covenants to comply with all requirements of the Code that must be satisfied subsequent to the issuance of an obligation in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code. Without limiting the generality of the foregoing, MBTA covenants (i) that it will not make or permit any use of funds that are or would be treated as proceeds of the Municipal Lease and the Municipal Sublease or of the Certificates for purposes of Section 148 of the Code that would cause Interest to fail or cease to be excluded from gross income for federal income tax purposes, (ii) that it will comply with the requirements of Section 148(f) of the Code so as to prevent the Municipal Lease and the Municipal Sublease, and the Certificates, from being determined to be arbitrage bonds within the meaning of Section 148 of the Code, and (iii) that it will agree to amend the Municipal Lease, the Municipal Sublease and/or this Equipment Trust Agreement as may be required, as determined by nationally recognized bond counsel, in order to maintain the exclusion from gross income of the Interest for federal income tax purposes, provided such amendments will not in any way adversely affect the rights of MBTA, as determined in the sole and absolute discretion of MBTA. In order to implement the foregoing covenants, MBTA agrees to comply with any MBTA Investment Instructions and Rebate Instructions delivered to it

by Special Counsel. The covenants set forth in this Section 2.10 shall survive the expiration or termination of this Agreement.

ARTICLE III

MUNICIPAL LEASE; MUNICIPAL SUBLEASE

Section 3.1 Municipal Lease.

(a) The ETA Trustee hereby agrees, and is hereby authorized and directed, to execute and deliver to MBTA the Municipal Lease in substantially the form attached hereto as Exhibit D and to lease the Equipment from MBTA under and in accordance with the terms thereof, and MBTA hereby agrees that it will execute and deliver to the ETA Trustee the Municipal Lease in substantially the form attached hereto as Exhibit D and will lease the Equipment to the ETA Trustee under and in accordance with the terms thereof.

(b) As rental for the Equipment during the term of the Municipal Lease, the ETA Trustee hereby agrees to pay to MBTA, solely from the proceeds of the original sale and delivery of Certificates, the Advance Rental Cost in accordance with the terms of the Municipal Lease.

Section 3.2 Municipal Sublease.

(a) The ETA Trustee hereby agrees, and is hereby authorized and directed, to execute and deliver to MBTA the Municipal Sublease in substantially the form attached hereto as Exhibit E and to sublease the Equipment to MBTA under and in accordance with the terms thereof simultaneously with the lease of the Equipment to the ETA Trustee pursuant to the Municipal Lease, and MBTA hereby agrees to execute and deliver to the ETA Trustee the Municipal Sublease in substantially the form attached hereto as Exhibit E and to sublease the Equipment from the ETA Trustee under and in accordance with the terms thereof.

(b) As rental for the Equipment during the term of the Municipal Sublease, MBTA hereby agrees to pay to the ETA Trustee the Rental Payments in accordance with the terms of the Municipal Sublease and Section 4.4(a) hereof.

ARTICLE IV

FUNDS

Section 4.1 Creation of Funds.

(a) There are hereby created and established with the ETA Trustee the Certificate Fund, the Equipment Lease Fund and the Rebate Fund. There are hereby created and established within the Certificate Fund a Principal Account, an Interest Account and an Additional Rent Account. There are hereby created and established within the Equipment Lease Fund an Equipment Account and a Cost of Issuance Account.

(b) There may be established, by a supplement hereto or otherwise as permitted hereby, one or more additional separate Accounts within any Fund and one or more separate sub-accounts within any Account in any Fund established hereunder.

Section 4.2 Disposition of Proceeds. The proceeds from the sale of the Certificates (net of any underwriter's or placement agent's compensation) shall be deposited into the appropriate Funds concurrently with the delivery thereof, as follows:

(i) into the Interest Account of the Certificate Fund the amount, if any, received as the accrued Interest Component in connection with the issuance of the Certificates, to be held in cash or invested in Government Securities and applied to payment of the Interest Component of Certificates on the next succeeding Interest Payment Date;

(ii) into the Equipment Account of the Equipment Lease Fund an amount equal to the Advance Rental Cost; and

(iii) into the Cost of Issuance Account of the Equipment Lease Fund the balance of the proceeds.

Section 4.3 Rebate Fund.

(a) A Rebate Fund shall be established by the ETA Trustee for the purpose of complying with the Rebate Provision. Amounts in the Rebate Fund shall not be available to pay any amounts due under or with respect to the Certificates. Within forty-five (45) days after the close of each Rebate Year (or any earlier date that may be necessary to make a required payment to the United States under subsection (c) of this Section), MBTA, with the assistance of a Person or Persons if MBTA so desires, shall compute and certify to the ETA Trustee in reasonable detail the amount of the Excess, if

any, for the Certificates as of the close of such Rebate Year (or as of any such other date that may be required by the Rebate Provision) and, notwithstanding any provision of this Agreement to the contrary, MBTA shall pay to the ETA Trustee for deposit into the Rebate Fund any amount necessary to make the amount in the Rebate Fund equal to the Excess for the Certificates.

(b) If at the close of any Rebate Year, the amount in the Rebate Fund exceeds the sum of the calculated Excess for the Certificates, upon certification thereof in reasonable detail by MBTA to the ETA Trustee, the ETA Trustee shall promptly pay the excess to MBTA.

(c) (i) No later than sixty (60) days after the close of the fifth Rebate Year following the date of issue of the Certificates (or any earlier date that may be required to comply with the Rebate Provision) and the close of each fifth Rebate Year thereafter, the ETA Trustee shall pay from the Rebate Fund to the United States on behalf of MBTA the full amount then required to be paid under the Rebate Provision as certified and directed by MBTA in accordance with subsection (c)(ii) of this Section. Within sixty (60) days after the Certificates have been paid in full, the ETA Trustee shall pay to the United States from the Rebate Fund on behalf of MBTA the full amount then required to be paid under the Rebate Provision as certified by MBTA in accordance with subsection (c)(ii) of this Section. Each such payment shall be made to the Internal Revenue Service Center, Philadelphia, Pennsylvania 19255, or any successor location specified by the Internal Revenue Service, accompanied by a Form 8038-T (or other similar information reporting form) furnished to the ETA Trustee by MBTA. If on any Rebate Payment Date (as defined below) the amount in the Rebate Fund will be insufficient to pay the amount required to be paid under the Rebate Provision, MBTA shall pay the amount of such deficiency to the ETA Trustee for deposit into the Rebate Fund prior to the Rebate Payment Date.

(ii) No later than fifteen (15) days prior to each date on which a payment could become due under subsection (c)(i) of this Section (a "Rebate Payment Date"), MBTA shall deliver to the ETA Trustee a certificate either summarizing the determination that no amount is required to be paid or specifying the amount then required to be paid pursuant to subsection (c)(i) of this Section; if the certificate specifies an amount to be paid, the ETA Trustee shall make such payment on the Rebate Payment Date from the Rebate Fund.

(d) MBTA and the ETA Trustee shall keep such records as will enable them to fulfill their respective responsibilities under this Section and the Rebate Provision.

(e) The purpose of this Section is to satisfy the requirements of the Rebate Provision. Accordingly, this Section shall be construed so as to meet such requirements. MBTA covenants that all action taken under this Section shall be taken in a manner that complies with the Rebate Provision and that it shall neither take any action nor omit to take any action that would cause the Certificates to be arbitrage bonds within the meaning of Section 148 of the Code by reason of the failure to comply with the Rebate Provision.

(f) The ETA Trustee shall be deemed conclusively to have complied with the provisions of subsections (b) and (c) if it makes payments in accordance with the certifications and directions of MBTA provided in accordance with such subsections. The ETA Trustee shall not be required to take any actions required under subsections (b) or (c) in the absence of such certifications of MBTA, except as may otherwise be required pursuant to Sections 4.4 and 7.1.

(g) To the extent amounts in the Rebate Fund are insufficient to make any payment of rebatable arbitrage due to the United States under the Rebate Provision, MBTA shall be liable for that deficiency. To the extent any payment of rebatable arbitrage or penalty in lieu of rebate is not timely made to the United States, MBTA shall pay to the United States any correction amount, interest, penalty or other amount necessary to prevent the Certificates from becoming arbitrage bonds within the meaning of Section 148 of the Code. MBTA covenants that to the extent necessary it shall obtain the advice and assistance of experts to aid it in complying with the Rebate Provision.

Section 4.4 Certificate Fund.

(a) At or prior to 11:00 a.m., New York time, on each Interest Payment Date, Principal Payment Date and Redemption Date (or if such day is not a Business Day, then on the next preceding Business Day), MBTA shall pay to the ETA Trustee in immediately available funds for deposit into the Certificate Fund the Rental Payment coming due on the specified Interest Payment Date, Principal Payment Date or Redemption Date, with the Interest Component of such Rental Payment being deposited into the Interest Account and the Principal Component of such Rental Payment being deposited into the Principal Account. At or prior to 11:00 a.m., New York time, on each Interest Payment Date, Principal Payment Date and Redemption Date (or if such day is not a Business Day, then on the next preceding Business Day), MBTA shall pay directly to the ETA Trustee for deposit into the Additional Rent Account any amounts to be paid as Additional Rent that, as of such Interest Payment Date, Principal Payment Date or Redemption Date, are then owing.

(b) On each Interest Payment Date, Principal Payment Date and Redemption Date, the ETA Trustee shall disburse to the Owners an amount sufficient to make all payments of the Principal Component and Interest Component of the Certificates due on such date, whether on account of maturity or redemption, from moneys in the Principal Account and the Interest Account of the Certificate Fund. On each Interest Payment Date, Principal Payment Date and Redemption Date, the ETA Trustee shall disburse to the appropriate Person(s) such amounts that are to be paid from the Additional Rent Account, only to the extent, however, of the available balance in the Additional Rent Account. If MBTA fails to pay to the ETA Trustee on any Interest Payment Date, Principal Payment Date or Redemption Date the required amounts then due to be paid to the ETA Trustee as Additional Rent, then such outstanding amounts shall accrue interest at the Corporate Base Rate plus two percent (2%) per annum until paid and, until paid, shall be secured by a first lien on the Equipment and the Funds (except for the Rebate Fund) and other property held hereunder by the ETA Trustee.

(c) The ETA Trustee shall deposit into the appropriate Account of the Certificate Fund (i) amounts received from MBTA in accordance with clause (a); (ii) amounts transferred from the Equipment Lease Fund in accordance with Section 4.5 hereof; and (iii) such other amounts as are provided in accordance with this Agreement or in accordance with the Municipal Sublease. Such amounts shall be applied to the payment, when due, of the Principal Component and Interest Component of the Certificates and of any amounts to be paid as Additional Rent, all as set forth in clause (b) above.

(d) If an Event of Loss shall have occurred with respect to an Item of Equipment and MBTA shall have elected or been deemed to have elected to proceed under Section 7.2 of the Municipal Sublease, the ETA Trustee shall deposit the Municipal Sublease Stipulated Loss Value for such Item of Equipment received in accordance with Section 7.2 of the Municipal Sublease into the Principal Account of the Certificate Fund for application on the applicable Redemption Date in accordance with Section 6.2(a).

Section 4.5. Equipment Lease Fund.

(a) From the Equipment Lease Fund, the ETA Trustee shall disburse funds for Costs of issuance of the Certificates and for Advance Rental Cost in accordance with the provisions hereof.

(b) Upon the issuance of the Certificates and upon receipt of written instructions from an Authorized Officer of MBTA, there shall be disbursed from the Cost of Issuance

Account in accordance with such instructions an amount sufficient to pay the Costs of issuance itemized in such instructions or to reimburse the ETA Trustee or MBTA, as the case may be, for the payment thereof, but not exceeding the amount shown for such item in such instructions. After the disbursements described in this Section 4.5(b), the ETA Trustee shall transfer the amounts, if any, remaining in the Cost of Issuance Account to the Principal Account of the Certificate Fund. MBTA shall be responsible for the payment of any Costs of issuance for which sufficient funds were not available in the Cost of Issuance Account.

(c) On the date of issuance of the Certificates, there shall be disbursed from the Equipment Account upon notice from MBTA to the ETA Trustee an amount sufficient to pay the Advance Rental Cost to MBTA, as lessor under the Municipal Lease. In making such disbursement, the ETA Trustee shall not be required to verify or take any other further action respecting the application of such disbursement.

(d) After the disbursement described in Section 4.5(c), the ETA Trustee shall transfer the amounts, if any, remaining in the Equipment Account to the Principal Account of the Certificate Fund.

(e) No amount shall be withdrawn from or paid out of the Equipment Lease Fund, except as provided herein.

Section 4.6 Discontinuance of Funds or Accounts. Subject to Section 6.2, any balance remaining in any Fund and in any Account shall be paid by the ETA Trustee to MBTA (except for any amounts held in the Certificate Fund required to pay the Certificates under Section 13.9) after (i) all Certificates and other sums required to release, discharge and satisfy this Agreement shall have been paid or provision for their payment shall have been made in accordance with Section 13.9, (ii) all amounts certified to the ETA Trustee by MBTA that are required to be rebated to the United States pursuant to the Rebate Provision shall have been paid by MBTA, and (iii) all amounts due to be paid from the Additional Rent Account to the ETA Trustee and/or other appropriate Persons shall have been paid.

Section 4.7 Reports by the ETA Trustee. The ETA Trustee shall furnish monthly to MBTA reports on the status of each of the Accounts and Funds established under this Article IV and held by the ETA Trustee, showing at least the balance in each such Account and Fund as of the first day of the report period, the deposits to (including interest earned on investments) and the disbursements from each such Account and Fund during such period, and the balance in each such Account and Fund on the last day of the report period.

Section 4.8 Disposition of Investment Earnings.

(a) Except as otherwise provided herein, the investment earnings on any Fund or Account thereof shall be credited to such Fund or Account.

(b) As used in this Section "investment earnings" shall not include accrued interest paid as part of the purchase price of an Eligible Investment.

ARTICLE V

SECURITY FOR DEPOSITS; INVESTMENTS OF FUNDS

Section 5.1 Moneys are Trust Funds. All moneys received by the ETA Trustee under this Agreement for deposit in any Fund or Account established hereunder shall at all times be trust funds and, except for the Rebate Fund, are held for the benefit of the Owners in accordance with the provisions hereof, subject to the provisions of Section 8.3, and shall be used solely for the purposes set forth herein, and shall remain uninvested, until or unless invested or deposited as provided herein.

Section 5.2 Investment or Deposit of Funds.

(a) Subject to the provisions of Section 5.2(b), Section 5.2(c) and Section 13.9, moneys held in any Fund or Account shall be invested only in Eligible Investments, provided, however, that all amounts will be invested in accordance with the Trustee Investment Instructions.

(b) Except as provided in Section 13.9 and Section 5.2(c), all investments made pursuant to this Section 5.2 shall mature or be subject to redemption at the option of the holder thereof within one (1) year of their date of acquisition at not less than the principal amount thereof or the amortized cost of acquisition, whichever is lower, and all deposits in time accounts shall be subject to withdrawal without penalty not later than the date when the amounts will foreseeably be needed for purposes of this Agreement, provided that, except as set forth in Section 5.2(c), moneys in the Certificate Fund may be invested only in Government Securities maturing or redeemable at the earlier of (i) within thirty (30) days of their acquisition, and (ii) when the amounts will foreseeably be needed for the purposes of this Agreement, at not less than the principal amount thereof or the amortized cost of acquisition, whichever is lower.

(c) The ETA Trustee shall invest amounts representing Municipal Sublease Stipulated Loss Value in Government Securities maturing not later than the Business Day next preceding the Redemption Date in respect of such Event of Loss.

(d) Whenever a disbursement is required to be made out of any Fund or Account, the ETA Trustee shall sell such Eligible Investments as may be required to make such disbursement. The ETA Trustee shall not be accountable for any depreciation in the value of any such investment or for any loss resulting from the sale thereof.

Section 5.3 Valuation of Funds. Except as otherwise provided herein, in computing the assets of any Fund or Account, investments and accrued interest thereon shall be deemed a part thereof. Such investments shall be valued, no less frequently than semiannually, at the lesser of their amortized cost or their fair market value, including interest earned on such investments, except that Government Securities will be valued at their principal amount for purposes of Section 13.9 only.

ARTICLE VI

REDEMPTION OF CERTIFICATES

Section 6.1 Redemption of Certificates.

(a) The Certificates shall be subject to redemption prior to maturity as set forth in this Section 6.1.

(b) The Certificates maturing on or after August 1, 2001 shall be subject to redemption prior to maturity at the option of MBTA, upon written direction to the ETA Trustee, on August 1, 2000, and thereafter in whole on any date and in part on any Interest Payment Date, in authorized denominations, in any order of maturity selected by MBTA, from and only to the extent of moneys on deposit in the Certificate Fund, at the time notice of redemption is given (or from moneys to be deposited in the Certificate Fund subsequent to the time notice of redemption is given in the case of a refunding), representing prepayment of the Principal Component of Rental Payments at the following redemption prices, plus the Interest Component of such Certificates to be redeemed accrued to the Redemption Date:

[EQUIPMENT TRUST AGREEMENT]

<u>Redemption Period</u>	<u>Redemption Price as a Percentage of Principal Component</u>
August 1, 2000 to July 31, 2001, inclusive	102.0%
August 1, 2001 to July 31, 2002, inclusive	101.0%
August 1, 2002 and thereafter	100.0%

(c) Upon any Event of Loss, and there having been no substitution of the Equipment affected by such Event of Loss pursuant to the Municipal Sublease, the Certificates shall be subject to redemption from time to time, upon written direction from MBTA, in whole or in part in authorized denominations and in inverse order of maturity, on the first Interest Payment Date occurring at least sixty (60) days after the occurrence of such Event of Loss from and only to the extent of moneys on deposit in the Certificate Fund, at the time notice of redemption is given, representing Municipal Sublease Stipulated Loss Value following an Event of Loss with respect to an Item or Items of Equipment, at a redemption price equal to 100% of the Principal Component with respect to the Certificates so called for redemption, together with the Interest Component accrued to the Redemption Date, if any, of such Certificates to be redeemed.

(d) The Certificates maturing on August 1, 2004 and August 1, 2015 are subject to mandatory redemption prior to maturity on August 1 in the years shown below, at a redemption price equal to 100% of the Principal Component of such Certificates, together with the Interest Component of such Certificates accrued to the Redemption Date, from moneys in the Certificate Fund at the time of such redemption representing Rental Payments in the respective principal amounts set forth below:

Certificates Due August 1, 2004

<u>Year</u>	<u>Principal Amount</u>
2001	\$2,565,000
2002	\$2,760,000
2003	\$2,965,000
2004*	\$3,185,000

*Final Maturity

Certificates Due August 1, 2015

<u>Year</u>	<u>Principal Amount</u>
2005	\$3,420,000
2006	\$3,685,000
2007	\$3,965,000
2008	\$4,270,000
2009	\$4,595,000
2010	\$4,945,000
2011	\$5,325,000
2012	\$5,735,000
2013	\$6,170,000
2014	\$6,645,000
2015*	\$7,150,000

*Final Maturity

The ETA Trustee, upon written direction by MBTA, from amounts on deposit in the Certificate Fund and any other available moneys, may purchase Certificates to satisfy such sinking fund redemptions in the amounts and in the years set forth above. The Certificates so retired may be credited against any mandatory sinking fund payments due with respect to the Certificates.

Section 6.2 Application of Moneys.

(a) If Certificates are redeemed pursuant to Section 6.1(b) or Section 6.1(c), the ETA Trustee, on the Redemption Date, shall apply the moneys in the Certificate Fund representing amounts to be paid as Additional Rent and prepayment of Rental Payments or Municipal Sublease Stipulated Loss Value, as appropriate, as follows:

(i) To the payment of all amounts due to be paid as Additional Rent from the Additional Rent Account in connection with such redemption;

(ii) To the payment of the Principal Component of the Certificates called for redemption, together with the Interest Component accrued with respect thereto as of the Redemption Date; and

(iii) The surplus, if any, shall be paid to MBTA or to the Person lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

(b) With respect to Certificates redeemed pursuant to Section 6.1(d), the ETA Trustee shall apply on each Redemption Date on which a mandatory sinking fund payment is due the moneys in the Certificate Fund representing Rental Payments and amounts to be paid as Additional Rent as follows:

(i) To the payment of all amounts due to be paid as Additional Rent from the Additional Rent Account in connection with such redemption; and

(ii) To the payment of the Principal Component of Certificates representing the Rental Payments due with respect to such mandatory sinking fund Redemption Date, together with the Interest Component accrued with respect thereto as of such date.

Section 6.3 Notice of Redemption.

(a) When Certificates are to be redeemed pursuant to the provisions of this Agreement, except as provided below, the ETA Trustee shall cause a notice of redemption to be given to the Owners and, with respect to any redemption other than a mandatory sinking fund redemption pursuant to Section 6.1(d), to the Certificate Insurer. Except as provided below, notice of redemption shall be given by the ETA Trustee not less than thirty (30) nor more than sixty (60) days prior to the Redemption Date, by first class mail, postage prepaid, to (a) the Owner of each Certificate to be redeemed at the address of such Owner shown on the Certificate Register, and (b) the Certificate Insurer at the address provided herein; and a second notice of redemption shall be sent by registered or certified mail at such address to any Owner who has not submitted his/her Certificate to the ETA Trustee for payment on or before the date sixty (60) days following the Redemption Date, in each case stating: (i) the Certificates or portion of Certificates to be redeemed, by giving the individual Certificate number of each Certificate to be redeemed (or stating that all Certificates between two stated Certificate numbers, both inclusive, are to be redeemed or that all of the Certificates of one or more maturities have been called for redemption); (ii) the CUSIP numbers of all Certificates being redeemed; (iii) in the case of a partial redemption of Certificates, the principal amount of each Certificate being redeemed; (iv) the date of issue of the Certificates as originally issued and the complete official name of the Certificates including the series designation; (v) the rate or rates of interest borne by each Certificate being redeemed; (vi) the maturity date of each Certificate being redeemed; (vii) the place or places where amounts due upon such redemption will be payable; (viii) the Redemption Date, and redemption price; and (ix) the name, address, telephone number and contact person at the office of the ETA Trustee with

respect to such redemption. With respect to a mandatory sinking fund redemption pursuant to Section 6.1(d), the notice shall state that such Certificates or portions thereof called for redemption will be due and payable and that they are to be surrendered at the principal corporate trust office of the ETA Trustee for redemption at the redemption price, and the notice shall further specify that from and after the Redemption Date no interest in excess of the Interest Component accrued to the Redemption Date shall be payable to an Owner with respect to such Certificates or portions thereof. With respect to an optional redemption or a redemption upon the occurrence of an Event of Loss pursuant to Section 6.1(b) or Section 6.1(c), respectively, the notice shall state that such Certificates or portions thereof called for redemption, if there are sufficient funds on deposit with the ETA Trustee to redeem such Certificates or portions thereof, will be due and payable and that, if there are sufficient funds on deposit with the ETA Trustee to redeem such Certificates or portions thereof, they are to be surrendered at the principal corporate trust office of the ETA Trustee for redemption at the redemption price, and the notice shall further specify that from and after the Redemption Date, if there are sufficient funds on deposit with the ETA Trustee to redeem such Certificates or portions thereof, no interest in excess of the accrued interest to the Redemption Date shall be payable to an Owner with respect to such Certificates or portions thereof. CUSIP number identification with appropriate dollar amounts for each CUSIP number also shall accompany all redemption notices.

Unless the Certificates are registered in the name of CEDE & CO., as nominee of DTC, notice of such redemption also shall be given by registered mail, overnight delivery service or telecopy or other similar means, postage prepaid, to certain municipal registered Securities Depositories (described below) which are known to the ETA Trustee to be holding Certificates and to at least two of the national Information Services (described below) that disseminate securities redemption notices, but in any event at least thirty (30) days, but not more than sixty (60) days, prior to the Redemption Date; provided, however, that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Certificates.

Securities Depositories include The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax-(516) 227-4039 or 4190; Midwest Securities Trust Company, Capital Structures-Call Notification, 440 South LaSalle Street, Chicago, Illinois 60605, Fax-(312) 663-2343; Pacific Securities Depository Trust Company, Pacific and Company, P.O. Box 7041, San Francisco, California 94120, Fax-(415) 393-4128; Philadelphia Depository Trust Company, Reorganization Division,

1900 Market Street, Philadelphia, Pennsylvania 19103, Attention: Bond Department, Fax-(215) 496-5058; or, in accordance with the then current guidelines of the Securities and Exchange Commission, to such other addresses and/or such other securities depositories or any such other depositories as MBTA may designate in writing to the ETA Trustee.

Information Services include Financial Information, Inc. "Daily Called Bond Service," 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 07302, Attention: Editor; Kenny Information Services, "Called Bond Service," 65 Broad Street, 19th Floor, New York, New York 10006-2504; Moody's Investors Service, "Municipal and Government," 99 Church Street, 8th Floor, New York, New York 10007, Attention: Municipal News Reports; and Standard & Poor's Corporation, "Called Bond Record," 25 Broadway, New York, New York 10004; or, in accordance with then current guidelines of the Securities and Exchange Commission, to such other addresses and/or such other services providing information with respect to called bonds, or any other such services as MBTA may designate in writing to the ETA Trustee.

Failure to give notice by mailing to the Owner of any Certificate designated for redemption shall not affect the validity of the proceedings for the redemption of any other Certificate.

Notwithstanding the provisions contained in Section 13.5, any notice mailed as provided in this Section will be conclusively presumed to have been given whether or not actually received by the addressee.

(b) If the ETA Trustee shall give notice of a redemption pursuant to Section 6.3(a) with respect to an optional redemption or a redemption upon the occurrence of an Event of Loss pursuant to Section 6.1(b) or Section 6.1(c), respectively, such notice shall be conditional upon the delivery to the ETA Trustee of moneys from MBTA sufficient to redeem in full the Certificates or portions thereof called for redemption and if such moneys are not so received such notice shall be of no force and effect.

(c) So long as DTC or its nominee is the Owner, MBTA and the ETA Trustee shall recognize DTC or its nominee as the Owner for all purposes, including notices and voting. Neither MBTA nor the ETA Trustee will be responsible for mailing notices of redemption to anyone other than DTC or its nominee as long as DTC is the sole Owner. Conveyance of notices and other communications by DTC to DTC Participants and by DTC Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory and regulatory requirements which may be in effect from time to

time. Any failure of DTC or its nominee to advise any DTC Participant or of any DTC Participant to notify the Beneficial Owners of any such notice and its content will not affect the validity of the redemption of the Certificates called for redemption or any other action premised on such notice.

(d) Notice of redemption having been given in the manner provided above and, with respect to optional redemptions or redemptions upon the occurrence of an Event of Loss pursuant to Section 6.1(b) or Section 6.1(c), respectively, there being money sufficient for such redemption being held by the ETA Trustee for that purpose, the Certificates so called for redemption shall become due and payable on the Redemption Date and interest on the Certificates so called for redemption shall cease to accrue on the Redemption Date and such Certificates shall cease to be entitled to any benefit or security of this Agreement and the Owners thereof shall have no rights in respect of such Certificates except to receive payment of the redemption price thereof and Interest Components of such Certificates accrued to the Redemption Date.

Section 6.4 Partial Redemptions.

(a) If less than all of the Certificates are to be called for redemption, subject to Section 2.5(e), (i) in the case of Certificates to be called for redemption pursuant to Section 6.1(c), the ETA Trustee shall select the particular Certificates or portions thereof to be redeemed in inverse order of maturity and by lot within a maturity, and (ii) in the case of Certificates to be called for redemption pursuant to Section 6.1(b) or Section 6.1(d), the ETA Trustee shall select particular Certificates of the appropriate maturity to be redeemed; provided, however, that the portion of any Certificate to be redeemed shall be in authorized denominations and that, in selecting Certificates for redemption, the ETA Trustee shall treat each Certificate in a principal amount greater than \$5,000 as representing that number of Certificates which is obtained by dividing the principal amount of such Certificate by \$5,000. If it is determined that a portion but not all of any such Certificate is to be called for redemption, then upon notice of intention to redeem such portion, the Owner of such Certificate shall forthwith surrender such Certificate to the ETA Trustee (a) for payment of the redemption price of such Certificate called for redemption and (b) in exchange for a new Certificate or Certificates in such authorized denominations as the Owner shall designate of the aggregate principal amount of the unredeemed balance of the Principal Component of such Certificate and of like maturity and interest rate. New Certificates representing the unredeemed balance of the Principal Component of such Certificate shall be issued to the Owner thereof and without charge therefor. If the Owner of any such Certificate shall fail to present such Certificate to

the ETA Trustee for payment and exchange as aforesaid, such Certificate shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the Principal Component of such Certificate called for redemption (and to that extent only).

(b) No redemption of less than all the Certificates at the time Outstanding shall be made pursuant hereto unless the Certificates to remain Outstanding following such redemption will be in authorized denominations.

(c) Notwithstanding any provision contained herein to the contrary, if there shall have occurred and be subsisting a Municipal Sublease Event of Default, there shall be no redemption of less than all of the Certificates at the time Outstanding, except that partial redemption of the Certificates may be permitted only upon the direction of the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy).

Section 6.5 Cancellation of Certificates. All Certificates which have been paid for or redeemed or delivered to or acquired by the ETA Trustee for cancellation shall be cancelled by the ETA Trustee and shall not be reissued.

ARTICLE VII

REMEDIES

Section 7.1 Remedies on Municipal Sublease Event of Default or Event of Nonappropriation.

(a) Upon the occurrence of a Municipal Sublease Event of Default, subject to Section 7.1(c), the ETA Trustee shall have the remedial rights specified in Section 11.2(a) of the Municipal Sublease. Any amounts collected by the ETA Trustee as a result of action taken pursuant to this Section shall be deposited into the appropriate Account of the Certificate Fund and shall be applied in accordance with Section 7.1(b).

At any time that the ETA Trustee shall declare the remaining Rental Payments due and payable pursuant to this Section and in the manner set forth in Section 11.2(a) of the Municipal Sublease and an Appropriation shall have been made with respect thereto, the ETA Trustee shall declare the Principal Components of all Certificates to be immediately due and payable, and any amounts collected by the ETA Trustee as a result of actions taken pursuant to this sentence shall be deposited into the appropriate Account of the Certificate Fund and shall be applied in the order of priority set forth in Section 7.1(b).

(b) Upon the occurrence of an Event of Nonappropriation, subject to Section 7.1(c), the ETA Trustee may declare the Principal Components of all Certificates Outstanding to be immediately due and payable, and the ETA Trustee may exercise any power of sale which it then possesses with respect to the Equipment and take possession of and sell, lease or otherwise dispose of the Equipment (with the assistance, if the ETA Trustee so desires, of a Person or Persons hired by the ETA Trustee) and, in the event of such sale, lease or other disposition, the ETA Trustee shall deposit the proceeds of such sale, lease or other disposition, into the appropriate Account of the Certificate Fund and shall apply the proceeds of such sale, lease or other disposition, as follows:

(i) To the payment of amounts due to be paid from the Additional Rent Account owing to the ETA Trustee and/or other appropriate Persons;

(ii) To the payment of an amount equal to the aggregate amount of all unpaid Rental Payments, adjusted to eliminate that portion of the Interest Component thereof representing interest that would accrue subsequent to the Redemption Date; to be applied first to the payment of the Interest Component followed by the Principal Component then overdue on the Certificates and second to the payment of the Interest Component followed by the Principal Component then due on the Certificates; in case such moneys shall be insufficient to pay any category of the same in full, then to the payment of such category ratably, without preference or priority of one Certificate over another or of any Interest Component over any other Interest Component; and

(iii) The excess remaining after all the Certificates are paid in full, if any, shall be paid to MBTA, or as MBTA may direct.

(c) Notwithstanding any provision to the contrary contained in this Section 7.1, so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy, upon the occurrence of a Municipal Sublease Event of Default or an Event of Nonappropriation, (i) the Certificate Insurer, after furnishing indemnification satisfactory to the ETA Trustee, shall have the power to direct the ETA Trustee to take any remedial action permitted hereunder, and (ii) the ETA Trustee shall be required to obtain the consent of the Certificate Insurer prior to the ETA Trustee taking any remedial action permitted hereunder.

Section 7.2 Discontinuance of Proceedings. In case any proceeding taken by the ETA Trustee following the occurrence of a Municipal Sublease Event of Default or Event of

Nonappropriation shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the ETA Trustee, then, in every case, MBTA, the ETA Trustee, the Certificate Insurer and the Owners shall be restored to their respective former positions and rights hereunder, and all rights, remedies and powers of the ETA Trustee shall continue as though no such proceedings had been taken.

Section 7.3 Direction of Proceedings. Except as set forth in Section 7.1 hereof, the Certificate Insurer acting alone (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy) or the Owners of a majority in aggregate amount of the Principal Component of the Certificates Outstanding, with the consent of the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy), shall have the right, by an instrument in writing executed and delivered to the ETA Trustee, after furnishing indemnity satisfactory to the ETA Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the ETA Trustee hereunder; provided that any such direction shall not be contrary to law or the provisions of this Agreement.

Section 7.4 Limitations on Actions. Neither the Certificate Insurer nor an Owner, unless the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy) or the Owners of not less than a majority in aggregate amount of the Principal Components of the Certificates Outstanding, with the consent of the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy), shall have made written requests to the ETA Trustee after the right to exercise such powers or rights of action shall have accrued, shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Agreement or for execution of any trust hereunder, or for any other remedy hereunder, without having afforded the ETA Trustee a reasonable opportunity either to proceed to exercise the powers granted in this Agreement or to institute such action, suit or proceeding in its or their names, and unless also there shall have been offered to the ETA Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the ETA Trustee shall have refused or neglected to comply with such request within a reasonable time; and such request and offer of indemnity are hereby declared in every such case, at the option of the ETA Trustee, except with respect to the actions mandated by Section 7.1, to be conditions precedent to the execution of the powers and trusts of this Agreement and to any action or cause of action for the

enforcement of this Agreement or for any other remedy hereunder, it being understood and intended that no one or more Owners or the Certificate Insurer shall have any right in any manner whatever by its or their action to affect, disturb or prejudice the rights under this Agreement, or to enforce any right hereunder, except in the manner herein provided and that all proceedings at law or in equity shall be instituted and maintained in the manner herein provided and for the ratable benefit (subject to all of the terms, conditions and provisions of this Agreement) of all Owners of such Outstanding Certificates and the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy). Notwithstanding any other provision of this Agreement, the right of any Owner or the Certificate Insurer to receive payment of the Principal Component and Interest Component of its Certificate, on or after the due date thereof, shall not be impaired or affected without the consent of the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy) and such Owner, except that neither the Certificate Insurer nor any Owner shall have the right to institute any suit in respect thereof, if and to the extent that the institution or prosecution thereof or entry of a judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the benefit and security of this Agreement upon any property held as security hereunder.

Section 7.5 Remedies Not Exclusive; Rights. Other than as provided in Section 7.1, no remedy herein conferred is intended to be exclusive of any other remedy or remedies, and each remedy is in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. Nothing herein shall derogate from the provisions of Section 7.1.

Section 7.6 Delays; Omissions. No delay or omission in respect of exercising any right or power accruing upon any Municipal Sublease Event of Default or Event of Nonappropriation shall impair such right or power or be a waiver of such default, and every remedy given by this Article may be exercised from time to time and as often as may be deemed expedient.

Section 7.7 Enforceability by the ETA Trustee.

(a) All rights under this Agreement, the Municipal Sublease, the Municipal Lease and the Certificates may be enforced by the ETA Trustee without the possession of any Certificate or the production thereof at the trial or other proceedings relative thereto, and any proceeding instituted by the ETA Trustee shall be brought in its name for the ratable benefit of the Owners of the Outstanding Certificates.

(b) It is the purpose of this Article to provide such remedies to the ETA Trustee, the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy) and the Owners as may be provided by law; but should any remedy herein granted be held unlawful, the ETA Trustee, the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy) and the Owners shall, nevertheless, be entitled to every other remedy provided herein.

Section 7.8 Limitation on Obligations. THE OBLIGATION OF MBTA UNDER THIS AGREEMENT TO MAKE ANY PAYMENTS TO OR FOR THE BENEFIT OF THE OWNERS OR THE BENEFICIAL OWNERS OF THE CERTIFICATES UPON THE OCCURRENCE OF ANY MUNICIPAL SUBLEASE EVENT OF DEFAULT IS SUBJECT TO AND LIMITED BY THE AMOUNT OF ANNUAL APPROPRIATIONS AND DOES NOT CONSTITUTE A GENERAL OBLIGATION OF MBTA.

ARTICLE VIII

CONCERNING THE ETA TRUSTEE

Section 8.1 Acceptance of Trust. The ETA Trustee accepts and agrees to execute the trusts hereby created, but only upon the additional terms set forth in this Article, to all of which the parties hereto and the Owners, by their acceptance of such Certificates, agree. The ETA Trustee shall perform only such duties as are specifically set forth in this Agreement and no implied covenants or obligations shall be read into this Agreement against the ETA Trustee.

Section 8.2 Certain Rights of the ETA Trustee.

(a) The ETA Trustee may execute any of the trusts or powers created hereby and perform the duties required by it by or through agents or employees and shall not be liable for the default or misconduct of any agent selected by it with due care. The ETA Trustee shall be entitled to rely in good faith upon the advice of Counsel concerning its duties hereunder and shall not be answerable for the default or misconduct of any such Counsel.

(b) The ETA Trustee may construe any provision of this Agreement which may be ambiguous or inconsistent with any other provision hereof, and any such construction made in good faith shall be binding upon the Owners.

Section 8.3 Compensation for Services; Indemnification.

(a) MBTA shall pay the ETA Trustee its initial fees and expenses (including the reasonable fees and expenses of its attorneys) and, in addition, compensation as agreed by the

parties for the ordinary services to be rendered by it annually hereunder. The ETA Trustee shall be reimbursed from time to time for all of its reasonable expenses and charges and those of its attorneys, agents and employees incurred in and about the administration and execution of the trusts and the performance of its powers and duties hereunder and, for purposes of this Agreement, such expenses and charges shall be Additional Rent. Any amounts to be paid as Additional Rent from the Additional Rent Account to the ETA Trustee, if not paid when due, shall accrue interest at the Corporate Base Rate plus two percent (2%) per annum until paid and, until paid, shall be secured by a first lien on the Equipment and the Funds (except for the Rebate Fund) and other property held hereunder by the ETA Trustee.

(b) To the extent permitted by law, MBTA shall indemnify, protect, save and hold harmless the ETA Trustee from and against any and all Taxes (except for Taxes owed by the ETA Trustee as a result of compensation earned by the ETA Trustee for its services in connection with the Municipal Transaction), liabilities, obligations, losses, claims and damages whatsoever, regardless of the cause thereof, and expenses in connection therewith, including without limitation reasonable attorneys fees and expenses, penalties and interest arising out of (i) the entering into of this Agreement, the Municipal Lease and the Municipal Sublease and any other Municipal Document or (ii) the transactions contemplated herein or therein, including, without limitation, the offer and sale of the Certificates, or (iii) the condition or operation of the Equipment. The indemnification arising under this Section shall continue in full force and effect notwithstanding the full payment of all obligations under this Agreement.

Section 8.4 Certain Exculpatory Provisions. The ETA Trustee shall be under no duty or obligation to:

(a) indemnify MBTA against losses suffered from any authorized investment of any of the moneys on deposit with it under this Agreement, it being responsible only for the safe-keeping of the securities in which said moneys are invested and the collection of interest thereon; or

(b) except for the actions of the ETA Trustee required by Sections 4.4 and 7.1 (including making payments to Owners), take any action in respect of any Municipal Sublease Event of Default or otherwise, or toward the execution or enforcement of any of the trusts hereby created, or institute, appear in or defend any suit or other proceeding in connection therewith, unless requested in writing to do so by the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy) or, with the consent of the

Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy), by the Owners of a majority in aggregate amount of the Principal Component of Certificates Outstanding, subject to the provisions set forth in Section 7.4, and unless furnished, from time to time as often as it may require, with security and indemnity satisfactory to it.

Section 8.5 Notice of Municipal Sublease Event of Default and Event of Nonappropriation; Knowledge. The ETA Trustee shall be required to take notice of or be deemed to have knowledge of, and shall promptly notify the Certificate Insurer of, any failure of MBTA to pay a Rental Payment or any amounts to be paid as Additional Rent required to be paid pursuant to the Municipal Sublease at the time specified therein and of any Event of Nonappropriation as to which it has received notice from MBTA that no Appropriation has been made. The ETA Trustee shall not be required to take notice of, notify the Certificate Insurer, or be deemed to have knowledge of any Municipal Sublease Event of Default (other than a failure to pay a Rental Payment or any amounts to be paid as Additional Rent required to be paid pursuant to the Municipal Sublease at the time specified therein), or any other matter, unless an Authorized Officer of the ETA Trustee has Actual Knowledge thereof.

Section 8.6 Liability of the ETA Trustee.

(a) The liability of the ETA Trustee for actions taken or omitted to be taken hereunder shall be limited to its gross negligence or willful misconduct.

(b) The ETA Trustee shall be protected and shall incur no liability in relying, acting or proceeding, or in not relying, not acting or not proceeding in good faith, upon any application, resolution, notice, order, telegram, request, requisition, consent, waiver, certificate, statement, affidavit, report, opinion, voucher, bond or other paper or document which it shall believe to be genuine and to have been passed, signed or presented by the proper board or Person or to have been prepared and furnished pursuant to any of the provisions of this Agreement, and the ETA Trustee shall be under no duty to make any investigation or inquiry as to any statements or opinions contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements and opinions.

(c) As a condition to the taking, suffering or omission of any action hereunder, the ETA Trustee may consult with Counsel and the opinion of such Counsel shall be full and complete authorization and protection in respect of any action

taken, omitted or suffered by the ETA Trustee hereunder in good faith and in accordance herewith.

(d) The ETA Trustee shall not be bound to recognize any Person as the Owner of any Outstanding Certificate unless and until such Certificate is submitted to the ETA Trustee for inspection and its title thereto satisfactorily established if disputed.

(e) The ETA Trustee shall not be required to furnish any bond or surety.

Section 8.7 The ETA Trustee May Deal in Certificates. The ETA Trustee, its directors, officers, employees or agents, may in good faith buy, sell, own, hold and deal in any of the Certificates and may join in any action which any Owner may be entitled to take with like effect as if the ETA Trustee were not a party to this Agreement. The ETA Trustee, either as principal or agent, may also engage in or be interested in other financial or other transactions with MBTA, and may act as depository, trustee or agent for any committee or body of Owners.

Section 8.8 Resignation. The ETA Trustee may resign and be discharged of the trusts created hereunder by executing an instrument in writing assigning such trusts, specifying the date when such resignation shall take effect, and filing the same with MBTA not less than thirty (30) days before the date specified in such instrument when such resignation shall take effect; provided, however, that any such resignation shall not take effect until a successor trustee has accepted its appointment as such pursuant to the provisions of this Agreement. MBTA shall notify the Certificate Insurer of the ETA Trustee's resignation as soon as practicable after receipt of notice to such effect from the ETA Trustee in accordance with this Section 8.8.

Section 8.9 Removal. The ETA Trustee may be removed at any time upon sixty (60) days' advance notice by an instrument in writing, filed with the ETA Trustee, appointing a successor trustee, executed by or on behalf of the Owners of a majority in aggregate amount of the Principal Components of the Certificates Outstanding. As soon as practicable, MBTA shall notify the Certificate Insurer in the event of the removal of the ETA Trustee.

Section 8.10 Vacancy in Office.

(a) If the ETA Trustee shall be dissolved, or if its property or affairs shall be taken under the control of any state or federal court or administrative body, a vacancy shall forthwith and ipso facto exist in the office of the ETA

Trustee, and a successor trustee may be appointed by the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy) or by MBTA, with the consent of the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy), by an instrument in writing executed by an Authorized Officer of MBTA or an Authorized Officer of the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy), as the case may be; provided, however, that during the continuance of a Municipal Sublease Event of Default the right to appoint such a successor trustee may not be exercised by MBTA but instead may only be exercised by the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy) or by the Owners of a majority in aggregate amount of the Principal Components of the Certificates Outstanding, with the consent of the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy), by an instrument in writing executed by the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy) or by and on behalf of such Owners, as the case may be.

(b) Until a successor trustee shall be appointed by the Certificate Insurer or by the Owners during the continuance of a Municipal Sublease Event of Default, MBTA, by an instrument in writing, shall appoint a successor trustee to fill such vacancy. Any new successor trustee so appointed by MBTA shall immediately and without further act be superseded by a successor trustee appointed by the Certificate Insurer or by the Owners in the manner above provided.

(c) If no appointment of a successor trustee is made within sixty (60) days after the occurrence of any event requiring or authorizing such appointment, the outgoing ETA Trustee, the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy) or any Owner of a Certificate may apply to any court of competent jurisdiction for the appointment of a successor trustee, and such court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor trustee.

Section 8.11 Qualification of Successor ETA Trustee. Any successor trustee appointed pursuant to this Article shall be an incorporated bank or trust company in good standing, organized or authorized to transact business under the laws of the United States of America or of any state thereof or the

District of Columbia, be authorized under such laws to exercise corporate trust powers and be subject to supervision or examination by a federal or state authority and shall have a reported capital and surplus of not less than \$100,000,000.00.

Section 8.12 Acceptance of Trust by Successor ETA Trustee. Any successor trustee appointed hereunder shall execute, acknowledge and deliver to MBTA (with a copy to the Certificate Insurer) an instrument accepting such appointment and thereupon, without any further act, deed or conveyance shall become fully vested with all the estates, property, rights, powers, trusts, duties and obligations of its predecessor in the trust with like effect as if originally named the ETA Trustee herein. Such successor trustee shall give notice by first class mail of its acceptance of appointment within five (5) Business Days thereof to each Owner at its address as it appears on the Certificate Register. Upon request of such successor trustee, the predecessor trustee shall execute and deliver an instrument transferring to such successor trustee all the estate, property rights, powers and trusts hereunder of, and the Certificate Register and all other records pertaining to the Municipal Transaction in the possession of, the predecessor trustee, and the predecessor trustee shall pay over to the successor trustee all moneys at the time held by it hereunder.

Section 8.13 Successor Corporation as the ETA Trustee. Any corporation into which any ETA Trustee hereunder may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which any ETA Trustee hereunder shall be a party, shall be the ETA Trustee under this Agreement, provided it shall satisfy the requirements set forth in Section 8.11, without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding.

ARTICLE IX

EVIDENCE OF OWNER'S ACTION AND OWNERSHIP OF CERTIFICATES

Section 9.1 Evidence on Which the ETA Trustee May Act. Any request, direction, consent or other instrument in writing required or permitted by this Agreement to be signed or executed by Owners, may be in any number of counterparts and may be signed or executed by such Owners in person or by an agent appointed in writing. The fact and date of the execution of any such instrument and of the ownership of Certificates shall be sufficient for any purposes of this Agreement and shall be conclusive evidence in favor of the ETA Trustee with regard to any action taken under such instrument, if the fact

and date of the execution by any Owner or agent of any such instrument is proved by the certificate of any officer in any jurisdiction who, by the laws thereof, has power to take acknowledgments within such jurisdiction to the effect that the Owner or agent signing such instrument acknowledged before such officer the execution thereof.

Section 9.2 Other Evidence. Nothing contained in this Article IX shall be construed as limiting the ETA Trustee to the proof hereinabove specified, it being intended that the ETA Trustee may accept any other evidence of the matters herein stated which it may deem sufficient. Any request, consent, waiver of notice or vote of the Owner of any Certificate shall bind every future Owner of the same Certificate in respect of anything done or suffered by the ETA Trustee in pursuance thereof.

ARTICLE X

AMENDMENTS AND MODIFICATIONS

Section 10.1 Amendments Without Consent. From time to time and at any time, the ETA Trustee and MBTA, without the consent of or notice to any of the Owners or the Certificate Insurer (except as set forth in this Section 10.1), may enter into such amendments or supplements to this Agreement, to the Municipal Sublease and to the Municipal Lease, provided that no such amendment or supplement materially adversely affects the rights of the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy) or the Owners with respect to the Certificates, as may be necessary or desirable. The following are some, but by no means all, of the purposes for which the ETA Trustee and MBTA may enter into amendments pursuant to this Section 10.1:

(a) in order to cure any ambiguity or formal defect or omission in this Agreement, the Municipal Sublease, the Municipal Lease or any other Municipal Document;

(b) in order to grant to and confer upon the Owners, or the ETA Trustee for the benefit of the Owners, any additional rights, remedies, powers, authority or security that may be lawfully granted to or conferred upon the Owners or the ETA Trustee;

(c) in order to amend Schedule A or Schedule B of the Municipal Sublease in accordance with the terms thereof; or

(d) in order to comply with any applicable amendments to the Code or with any regulations or rulings issued with

respect to the Code, to the extent determined to be necessary or desirable in the opinion of Special Counsel, in order to qualify or continue to qualify the Interest Component of payments under the Certificates for exclusion from gross income of the recipients thereof for federal income tax purposes.

In the event the ETA Trustee and MBTA enter into any amendment or supplement to this Agreement pursuant to this Section 10.1, MBTA, promptly after entering into any such amendment or supplement, shall provide the Certificate Insurer with copies of all resolutions, correspondence and other documents relating to such amendment or supplement. In addition, the ETA Trustee, promptly after entering into any such amendment or supplement, shall furnish the Certificate Insurer with a copy of such amendment or supplement.

Section 10.2 Amendments Requiring Consent.

(a) Without the written consent of the ETA Trustee, MBTA, the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy) and all Owners of the Certificates Outstanding, no modification or amendment to this Agreement, the Municipal Sublease or the Municipal Lease shall be made which would: (i) alter the amount or payment date of any payment on any Certificate or the redemption provisions thereof; (ii) modify the terms of payment or the right to enforce payment of any Certificate; or (iii) reduce the percentage of consenting Owners set forth in any subsection in this Section 10.2. Modification of the provisions governing the administration of Funds hereunder which do not impair the rights reserved above shall not be deemed to constitute a modification of terms of payment.

(b) Subject to the limitations contained in clause (a), this Agreement, the Municipal Sublease, the Municipal Lease and any other Municipal Document may be modified or amended from time to time and at any time with the written consent of the ETA Trustee, MBTA, the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy) and the Owners of not less than two-thirds (2/3) in aggregate amount of the Principal Components of the Certificates Outstanding.

(c) Modifications and amendments made under this Section 10.2 shall be made by a supplement or amendment hereto or to the Municipal Sublease or to the Municipal Lease which shall be executed or accepted, as the case may be, by the ETA Trustee upon receipt of evidence satisfactory to the ETA Trustee of the consent thereto of MBTA, the Certificate Insurer (so long as the Certificate Insurer is not then in default

under any of its payment obligations under the Certificate Insurance Policy) and the Owners of the requisite aggregate amount of the Principal Components of Certificates Outstanding; provided, however, that if such supplement or amendment hereto or to the Municipal Sublease or to the Municipal Lease shall adversely affect the ETA Trustee's own rights, duties or immunities under this Agreement, the ETA Trustee shall not be obligated to enter into such supplement or amendment hereto, or to the Municipal Sublease or to the Municipal Lease. It shall not be necessary for the consent of the Owners to include approval of the particular form of any proposed supplement or amendment hereto or to the Municipal Sublease or to the Municipal Lease, but only of the substance thereof. In the event the ETA Trustee and MBTA enter into any amendment or supplement pursuant to this Section 10.2, MBTA, promptly after entering into any such amendment or supplement, shall provide the Certificate Insurer with copies of all resolutions, correspondence and other documents relating to such amendment or supplement. In addition, the ETA Trustee, promptly after entering into any such amendment or supplement, shall furnish the Certificate Insurer with a copy of such amendment or supplement.

Section 10.3 The ETA Trustee Authorized to Join in Amendments and Supplements; Reliance on Counsel. The ETA Trustee is authorized to join with MBTA in the execution and delivery of any supplement or amendment hereto or acceptance of any supplement or amendment permitted by this Article X and in so doing shall be fully protected by good faith reliance on an opinion of Counsel that such supplement or amendment is so permitted and that all things necessary to make it a valid and binding agreement have been done.

ARTICLE XI

POWER OF SALE

MBTA hereby irrevocably grants to the ETA Trustee for the benefit of the Owners the right and power, exercisable only upon the happening of (a) an Event of Nonappropriation, and (b) upon the election by the ETA Trustee, with the consent of the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy), or upon the direction of the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy), to take possession of and to sell, lease or otherwise dispose of the Equipment (with the assistance, if the ETA Trustee so desires, of a Person or Persons hired by the ETA Trustee), and to deposit the proceeds of such sale, lease or other disposition into the appropriate

Account of the Certificate Fund and to apply the proceeds of such sale, lease or other disposition in accordance with Section 7.1(b). In connection with any such sale, lease or other disposition, and in addition to any rights which the ETA Trustee may then have under the Municipal Sublease or the Municipal Lease or at law, the ETA Trustee, at its option, may enter upon the premises where all of the Equipment or any Item of Equipment is located and take immediate possession of and remove same by summary proceedings or otherwise (and/or, at the ETA Trustee's option, store the same at MBTA's premises where the same may be located at the time of such taking of possession until disposal thereof by the ETA Trustee), all without liability accruing to the ETA Trustee (other than as provided in Section 14.1 of the Municipal Sublease) for or by reason of such entry, storage or taking of possession or removing, whether for the restoration of damages to property caused by such action or otherwise. Any sale may be of all of the Equipment or any Item of Equipment at public or private sale, as the ETA Trustee may determine, and pending any such sale, the ETA Trustee may hold, use, operate, lease to others or keep idle all of the Equipment or any Item of Equipment as the ETA Trustee in its sole discretion may determine (and the proceeds of any such action pending any such sale shall be deposited into the appropriate Account of the Certificate Fund and shall be applied in accordance with Section 7.1(b)), all free and clear of any rights of MBTA. MBTA hereby agrees to deliver to the ETA Trustee, upon the occurrence of an Event of Nonappropriation, any instruments which may be reasonably required by the ETA Trustee to evidence and exercise such right and power and the relinquishment of all of MBTA's right, title and interest in the Equipment.

ARTICLE XII

SECURITY INTEREST

Section 12.1 Grant of Security Interest. MBTA hereby grants to the ETA Trustee for the benefit of the Owners and the ETA Trustee a security interest (i) in the Equipment described in Exhibit F attached hereto and in all additions, attachments, accessions and substitutions to or for the Equipment and in any proceeds of the Equipment, and (ii) in all moneys and securities now or hereafter in the Funds (except for the Rebate Fund) and Accounts held by the ETA Trustee hereunder, including the Rental Payments, to secure the obligation of MBTA to make Rental Payments and to perform all of the other obligations of MBTA under the Municipal Lease, the Municipal Sublease and hereunder. MBTA agrees to execute and deliver such additional documents, including financing statements, "precautionary" financing or similar statements, continuation statements, written submissions addressed to the Interstate Commerce

Commission in accordance with Section 11303 of Title 49 of the U.S. Code, affidavits, notices and similar instruments, as needed, in form satisfactory to the ETA Trustee, or which the ETA Trustee or any Owner deems necessary or appropriate to establish and maintain the ETA Trustee's security interest created hereunder. MBTA will furnish to the ETA Trustee no later than July 1 of each year during which this Agreement is in effect, beginning with 1991, an opinion of its General Counsel stating that, with respect to the next succeeding 12-month period, in the opinion of such General Counsel either (i) such action has been taken (or specifying any action that must be taken), including action with respect to the recording, filing, rerecording and refileing of the Municipal Lease, the Municipal Sublease and this Agreement and any supplements thereto and any financing statements, "precautionary" financing or similar statements or continuation statements, as is necessary or appropriate under Applicable Law to maintain the perfection of the security interests created thereby and reciting the details of such action or (ii) no action is necessary under Applicable Law to maintain the perfection of such security interests.

Section 12.2 Enforcement of Security Interest. Upon a Municipal Sublease Event of Default, the ETA Trustee, for the benefit of the Owners of the Certificates and the ETA Trustee and subject to the last sentence of this Section 12.2, may exercise any and all powers and remedies available to it as a secured party with respect to the Equipment, including any and all rights under the Uniform Commercial Code. The ETA Trustee, for the benefit of the Owners of the Certificates and the ETA Trustee, may take possession of and sell, lease or otherwise dispose of and deliver the Equipment, for cash, upon credit or otherwise, at such prices and upon such terms as the ETA Trustee deems advisable in its sole and absolute discretion. The ETA Trustee, if it so desires, may hire a Person or Persons to assist it in connection with the disposition of the Equipment. Any amounts collected by the ETA Trustee as a result of action taken pursuant to this Section 12.2 shall be deposited into the appropriate Account of the Certificate Fund and shall be applied in accordance with Section 7.1(b). Notwithstanding any provision to the contrary contained in this Section 12.2, upon a Municipal Sublease Event of Default, the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy) shall have the power to direct the ETA Trustee to take any action permitted under this Section 12.2. In addition, the ETA Trustee shall be required to obtain the consent of the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy) prior to the ETA Trustee taking any action under this Section 12.2.

ARTICLE XIII

MISCELLANEOUS

Section 13.1 Parties Interested. Nothing contained in this Agreement, express or implied, is intended or shall be construed to confer upon or give to any Person other than the parties hereto, the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy) and the Owners of the Certificates, any right, remedy or claim under or by reason of this Agreement or any covenant, condition or stipulation hereof; and the covenants, stipulations and agreements contained in this Agreement are and shall be for the sole exclusive benefit of the parties hereto, their successors and assigns, the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy) and the Owners of Certificates.

Section 13.2 Unclaimed Moneys. In the event that, within three (3) years after the maturity or Redemption Date of any Certificate, or interest claim appurtenant thereto, any amount deposited or left with the ETA Trustee with respect to such Certificate or interest claim shall not have been claimed by the Owner thereof entitled thereto, the ETA Trustee shall, upon demand, pay over to MBTA the amount not so claimed; and the ETA Trustee shall thereupon be relieved from all responsibility from such amount to the Owner of such Certificate, or interest claim, and in the event of such payment to MBTA, the Owner of any such Certificate or interest claim shall have recourse only to MBTA for an amount equivalent to the amount paid over to MBTA with respect to such Certificate or interest claim, without interest.

Section 13.3 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the ETA Trustee, MBTA and their respective successors and assigns.

Section 13.4 Severability. In the event any provision of this Agreement or of the Certificates shall, for any reason, be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision of this Agreement or of the Certificates, but this Agreement and the Certificates shall be construed and enforced as if such invalid or unenforceable provision had not been contained therein.

Section 13.5 Notices. Except as provided in Section 6.3(a), all notices, offers, instructions, acceptances, approvals, waivers, requests, demands and other communications required or permitted hereunder to be given to or made upon any

party hereto or under any instrument, certificate or other document delivered in connection with the transactions described herein shall be considered as properly given (a) if delivered in person, (b) if sent by an overnight delivery service which provides signed acknowledgments of receipt, (c) if mailed by first class United States mail, postage prepaid, registered or certified with return receipt requested or (d) if sent by telegram (with messenger delivery specified) or by telecopier and, in each such case, confirmed by telephone by the sender. Communications so mailed shall be effective upon the expiration of five (5) Business Days after deposit. Communications given in any other manner shall be effective upon receipt by the addressee; provided, however, that if any communication is tendered to an addressee and the delivery thereof is refused by such addressee, such communication shall be effective upon the tender. For the purposes of communications, the addresses of the parties shall be as set forth below; provided, however, that any party shall have the right to change its address for communications hereunder to any other location by giving thirty (30) days notice to the other party in the manner set forth hereinabove. The initial addresses of the parties hereto are as follows:

If to MBTA:

Massachusetts Bay Transportation Authority
Transportation Building
Ten Park Plaza
Boston, Massachusetts 02116
Attn: Treasurer
Telecopier: (617) 722-5368

If to the ETA Trustee:

Shawmut Bank, N.A.
One Federal Street
Boston, Massachusetts 02211
Attn: Corporate Trust Administration
Telecopier: (617) 292-4289

If to the Certificate Insurer:

Financial Security Assurance Inc.
350 Park Avenue
New York, New York 10022-6022
Attn: Managing Director-Surveillance
Telecopy: (212) 688-3101

Document, such powers shall be exercisable by the Certificate Insurer only so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy.

[EQUIPMENT TRUST AGREEMENT]


IN WITNESS WHEREOF, Shawmut Bank, N.A., as the ETA Trustee, and Massachusetts Bay Transportation Authority have each caused this Agreement to be executed as of the day and year first above written.

SHAWMUT BANK, N.A.,
as the ETA Trustee

Attest:

By:

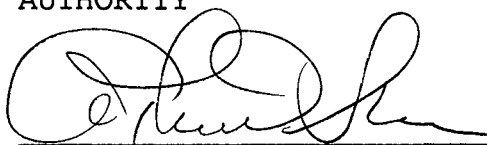

Name: **PAUL G. GRENIER**
Title **ASSISTANT VICE PRESIDENT**



NATALIE S. FORREST
ASSISTANT VICE PRESIDENT

MASSACHUSETTS BAY TRANSPORTATION
AUTHORITY

Attest:

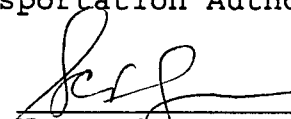
By:


Name: **Arthur D. Shea**
Treasurer - Controller



Approved as to form
for Massachusetts Bay
Transportation Authority

By:


Name: **Gregory C. Flynn**
Title: **General Counsel**

Commonwealth of Massachusetts)
) ss:
 County of Suffolk)

On this 29th day of August, 1990 before me personally appeared PAUL G. GRENIER, to me personally known, who being by me duly sworn, says that he is the ASSISTANT VICE PRESIDENT of Shawmut Bank, N.A., that the seal affixed to the foregoing instrument is the corporate seal of said bank, that said instrument was signed and sealed on behalf of said bank by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said bank.

Odette Marie Pothier
 My Commission expires 7/11/97

Commonwealth of Massachusetts)
) ss:
 County of Suffolk)

On this 29th day of August, 1990, before me personally appeared Arthur D. Shea, to me personally known, who being by me duly sworn, says that he is the Treasurer Controller of Massachusetts Bay Transportation Authority, that the seal affixed to the foregoing instrument is the corporate seal of said authority, that said instrument was signed and sealed on behalf of said authority by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said authority.

Odette Marie Pothier
 My Commission expires 7/11/97

DP-3964/d
 8/29/90
 CR.009

EXHIBIT A
FORM OF CERTIFICATE

Certificate No. ____

\$ _____

CERTIFICATE OF PARTICIPATION

Evidencing interests in a Municipal Lease Agreement and a Municipal Sublease Agreement (and the right to receive Rental Payments under the Municipal Sublease Agreement) between Shawmut Bank, N.A., as Trustee, and

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY

<u>INTEREST RATE</u>	<u>PRINCIPAL PAYMENT DATE</u>	<u>CUSIP</u>	<u>DATED</u>
_____%	_____	_____	August 15, 1990

OWNER:

PRINCIPAL AMOUNT
IN DOLLARS (U.S.):

THIS IS TO CERTIFY THAT the above-referenced registered owner (the "Owner") of this Certificate of Participation (the "Certificate") is the owner of an interest in the right, title and interest of the ETA Trustee (as hereinafter defined) in: (1) that certain Municipal Lease Agreement dated as of August 15, 1990 by and between Massachusetts Bay Transportation Authority ("MBTA" or "Authority"), as Lessor, and Shawmut Bank, N.A., as Trustee for the Owners (the "ETA Trustee"), as Lessee, (the "Municipal Lease"); and (2) that certain Municipal Sublease Agreement dated as of August 15, 1990 by and between the ETA Trustee, as Sublessor, and MBTA, as Sublessee (the "Municipal Sublease"), including the right to receive the rental payments ("Rental Payments") to be made by or on behalf of MBTA pursuant to the Municipal Sublease, all with respect to 97 commuter rail passenger coaches manufactured by Bombardier Inc. (the "Equipment"). The term "ETA Trustee" shall also include any duly appointed successor trustee.

The Certificates are issued under and secured by an Equipment Trust Agreement (the "Agreement") dated as of August 15, 1990 by and between MBTA and the ETA Trustee.

The Owner of this Certificate is entitled to receive certain amounts (the "Certificate Payments") on February 1, 1991 and on each August 1 and February 1 thereafter until and including the Principal Payment Date of this Certificate (each such date, an "Interest Payment Date") unless this Certificate

[CERTIFICATE OF
PARTICIPATION]

is earlier redeemed as provided herein. The total amount of Certificate Payments to be made with respect to this Certificate shall be equal to the sum of the Principal Amount stated hereon and interest on such Principal Amount at a per annum rate equal to the Interest Rate stated hereon, calculated on the basis of a 30-day month and a 360-day year, accruing from the date determined in the next succeeding paragraph to but not including the Principal Payment Date, or, if earlier redeemed, the date of such redemption. The record date for Certificate Payments shall be the fifteenth (15th) day of the calendar month preceding the month during which an Interest Payment Date is to occur (the "Record Date"). The payments of the Interest Component (as defined in the Agreement) of the Certificate Payments will be by check of the ETA Trustee mailed to the Owner at the address shown on the Certificate Register (as defined in the Agreement) as of the applicable Record Date; provided, however, that if the Owner (i) requests in writing, prior to the relevant Record Date, that the ETA Trustee make such payments of interest in a manner other than as set forth above, and the ETA Trustee agrees to make such payments in the manner requested, and (ii) pays the ETA Trustee in advance for any costs that the ETA Trustee incurs in complying with such request, then the ETA Trustee shall make such payments in accordance with the Owner's request. The payment of the Principal Component (as defined in the Agreement) of this Certificate will be made upon surrender thereof to the ETA Trustee at its principal corporate trust office.

The Interest Component of this Certificate shall be calculated from the Interest Payment Date to which the Interest Component has been paid or duly provided for or, if no Interest Component has been paid or duly provided for, from the dated date of this Certificate; provided, however, that if this Certificate is executed between a Record Date and the next succeeding Interest Payment Date, the Interest Component with respect hereto shall be calculated from such succeeding Interest Payment Date; provided further, however, that if at the time of execution of this Certificate, payment of Interest Components shall be in default, the Interest Component with respect hereto shall be calculated from the date to which the Interest Component with respect hereto has been paid in full or duly provided for or, if no Interest Component has been paid or duly provided for with respect hereto, the dated date hereof.

The Certificates are being issued initially by means of a book-entry system, with Certificates immobilized at The Depository Trust Company, New York, New York ("DTC"), and not available for distribution to the public, evidencing ownership of the Certificates in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership effected on the records of DTC and its participants (the "DTC Participants") pursuant to rules and procedures established by DTC and the DTC

[CERTIFICATE OF
PARTICIPATION]

Participants. The Principal Component and Interest Component of the Certificate Payments will be paid by the ETA Trustee to DTC or its nominee, CEDE & CO., as Owner of the Certificates. Transfer of principal and interest payments to DTC Participants is the responsibility of DTC, transfer of principal and interest payments to each actual purchaser of each Certificate (the "Beneficial Owner") by DTC Participants will be the responsibility of such DTC Participants and other nominees of the Beneficial Owners. Principal and interest will be payable to DTC Participants, shown on the records of DTC at the close of business on the Record Date preceding such payment date. Neither MBTA nor the ETA Trustee will be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, the DTC Participants or Persons (as defined in the Agreement) acting through such DTC Participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Certificates or (b) MBTA determines that continuation of the book-entry system of evidence and transfer of ownership of the Certificates would adversely affect the interests of the Beneficial Owners of the Certificates, MBTA may discontinue the book-entry system with DTC. If MBTA fails to identify another qualified securities depository to replace DTC as provided in the Agreement, the ETA Trustee shall execute and deliver to the Beneficial Owners replacement Certificates in the form of fully registered certificates.

So long as the book-entry only system remains in effect, transfers of ownership interests in the Certificates will be accomplished by book entries made by DTC and, in turn, by the DTC Participants who act on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Certificates.

In the event that the book-entry only system is discontinued, the Certificates may be exchanged for an equal aggregate principal amount of Certificates of the same maturity in authorized denominations, upon surrender thereof at the principal trust office of the ETA Trustee. Certificates may be transferred only on the Certificate Register maintained by the ETA Trustee for such purpose and only upon the surrender thereof to the ETA Trustee with a duly executed assignment in form satisfactory to the ETA Trustee. Exchanges and transfers will be without expense to the Owner of the Certificate except for applicable taxes or other governmental charges, if any.

This Certificate has been executed and delivered by the ETA Trustee pursuant to the terms of the Agreement. Copies of the Agreement, the Municipal Lease and the Municipal Sublease are on file at the principal corporate trust office of the ETA Trustee, and reference is hereby made thereto and to any and

[CERTIFICATE OF
PARTICIPATION]

all amendments or supplements thereto for a description of the security for the Certificates, the nature, extent and manner of enforcement of such security, the rights with respect thereto and the other terms and conditions upon which the Certificates are delivered thereunder.

The Certificates maturing on or after August 1, 2001 shall be subject to redemption prior to maturity at the option of MBTA, upon written direction to the ETA Trustee, on August 1, 2000, and thereafter in whole on any date and in part on any Interest Payment Date, in authorized denominations, in any order of maturity selected by MBTA, from moneys on deposit in the Certificate Fund (as defined in the Agreement), at the time notice of redemption is given (or from moneys to be deposited in the Certificate Fund subsequent to the time notice of redemption is given in the case of a refunding), representing prepayment of the Principal Component of Rental Payments at the following redemption prices, plus the Interest Component of such Certificates to be redeemed accrued to the Redemption Date:

<u>Redemption Period</u>	<u>Redemption Price as a Percentage of Principal Component</u>
August 1, 2000 to July 31, 2001, inclusive	102.0%
August 1, 2001 to July 31, 2002, inclusive	101.0%
August 1, 2002 and thereafter	100.0%

Upon any Event of Loss (as defined in the Agreement), and there having been no substitution of the Equipment affected by such Event of Loss pursuant to the Municipal Sublease, the Certificates shall be subject to redemption from time to time, upon written direction from MBTA, in whole or in part in authorized denominations and in inverse order of maturity, on the first Interest Payment Date occurring at least sixty (60) days after the occurrence of such Event of Loss from moneys on deposit in the Certificate Fund, at the time notice of redemption is given, representing Municipal Sublease Stipulated Loss Value (as defined in the Agreement) following an Event of Loss with respect to an Item or Items (as defined in the Agreement) of Equipment, at a redemption price equal to 100% of the Principal Component with respect to the Certificates so called for redemption, together with the Interest Component accrued to the Redemption Date (as defined in the Agreement), if any, of such Certificates to be redeemed.

The Certificates maturing on August 1, 2004 and August 1, 2015 are subject to mandatory redemption prior to maturity on August 1 in the years shown below, at a redemption price equal to 100% of the Principal Component of such Certificates, together with the Interest Component of such Certificates

[CERTIFICATE OF
PARTICIPATION]

accrued to the Redemption Date, from moneys in the Certificate Fund at the time of such redemption representing Rental Payments in the respective principal amounts set forth below:

Certificates Due August 1, 2004

<u>Year</u>	<u>Principal Amount</u>
2001	\$2,565,000
2002	\$2,760,000
2003	\$2,965,000
2004*	\$3,185,000

* Final Maturity

Certificates Due August 1, 2015

<u>Year</u>	<u>Principal Amount</u>
2005	\$3,420,000
2006	\$3,685,000
2007	\$3,965,000
2008	\$4,270,000
2009	\$4,595,000
2010	\$4,945,000
2011	\$5,325,000
2012	\$5,735,000
2013	\$6,170,000
2014	\$6,645,000
2015*	\$7,150,000

* Final Maturity

The ETA Trustee, upon the written direction by MBTA, from amounts on deposit in the Certificate Fund and any other available moneys, may purchase Certificates to satisfy such sinking fund redemptions in the amounts and in the years set forth above. The Certificates so retired may be credited against any mandatory sinking fund payments due with respect to the Certificates.

The terms governing the foregoing redemptions are contained in the Agreement. Notice of redemption will be mailed to DTC or its nominee, as long as it remains the sole Owner (and to each Owner thereafter). Neither MBTA nor the ETA Trustee will

[CERTIFICATE OF
PARTICIPATION]

be responsible for mailing notices of redemption to anyone other than DTC or its nominee as long as it remains the sole Owner. Any failure of DTC or its nominee to advise any DTC Participant, or of any DTC Participant to notify the Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of the Certificates called for redemption or of any other action premised on such notice. Notice of redemption hereof shall be mailed, first class, postage prepaid, to the Owner of this Certificate not less than thirty (30) but not more than sixty (60) days prior to the date set for redemption, all as is further set forth in the Agreement. On the specified Redemption Date, if notice of redemption has been properly given and, with respect to optional redemptions or redemptions upon the occurrence of an Event of Loss, there being sufficient funds for such redemption on deposit with the ETA Trustee for that purpose, no interest in excess of the accrued interest to the Redemption Date shall be payable to an Owner.

The Certificates are secured by a security interest in favor of the ETA Trustee for the benefit of the Owners and the ETA Trustee in (i) the Equipment and in all additions, attachments, accessions and substitutions to or for the Equipment and in any proceeds of the Equipment, and (ii) all moneys and securities now or hereafter held in funds, except for the Rebate Fund (as defined in the Agreement), and accounts established under the Agreement and held by the ETA Trustee.

Upon the occurrence of a Municipal Sublease Event of Default or an Event of Nonappropriation (as such terms are defined in the Municipal Sublease), the ETA Trustee may declare the Principal Component of all outstanding Certificates to be immediately due and payable, in the manner and as more fully set forth in the Agreement.

Upon the occurrence of an Event of Default described in Section 11.1 of the Municipal Sublease, the ETA Trustee, for the benefit of the Owners of the Certificates and the ETA Trustee, may exercise powers and remedies available to it as a secured party with respect to the Equipment, as more fully set forth in the Agreement.

Upon the occurrence of an Event of Nonappropriation, the ETA Trustee, for the benefit of the Owners of the Certificates and the ETA Trustee, may exercise its right to take possession of and to sell, lease or otherwise dispose of the Equipment, as more fully set forth in the Agreement.

Additional provisions with respect to the rights and remedies available to the ETA Trustee for the benefit of the Owners are contained in Article XI of the Municipal Sublease and in Articles VII, XI and XII of the Agreement.

[CERTIFICATE OF
PARTICIPATION]

THE OBLIGATION OF MBTA TO MAKE EACH RENTAL PAYMENT IS SUBJECT TO THE CONDITION THAT (I) ALL RENTAL PAYMENTS BECOMING DUE IN THE FISCAL YEAR IN WHICH SUCH RENTAL PAYMENT BECOMES DUE ARE SHOWN AS CURRENT EXPENSES IN AN ITEMIZED BUDGET OF THE AUTHORITY APPROVED BY ITS ADVISORY BOARD (THE "ADVISORY BOARD") AND (II) THE ADVISORY BOARD SHALL NOT HAVE DETERMINED, AS EVIDENCED IN ITS OFFICIAL RECORDS OF ITS DELIBERATIONS WITH RESPECT TO THE APPROVAL OF SUCH BUDGET, THAT SUCH RENTAL PAYMENTS SHALL NOT BE INCLUDED AS CURRENT EXPENSES IN THE AUTHORITY'S BUDGET FOR SUCH FISCAL YEAR (TOGETHER, AN "APPROPRIATION"). A FAILURE BY MBTA TO MAKE FULL PAYMENT OF A RENTAL PAYMENT WHEN DUE DURING A FISCAL YEAR FOR WHICH AN APPROPRIATION HAS NOT OCCURRED SHALL (1) CAUSE TERMINATION OF THE MUNICIPAL SUBLEASE AND (2) RELIEVE MBTA OF ANY OBLIGATION TO PAY RENTAL PAYMENTS BECOMING DUE IN THE FISCAL YEAR IN RESPECT OF WHICH AN APPROPRIATION SHALL NOT HAVE OCCURRED AND IN ALL FISCAL YEARS THEREAFTER.

THE OBLIGATION OF MBTA TO MAKE ANY RENTAL PAYMENTS, ANY CERTIFICATE PAYMENTS OR ANY OTHER PAYMENTS TO OR FOR THE BENEFIT OF THE OWNER OR BENEFICIAL OWNER HEREOF UPON THE OCCURRENCE OF ANY EVENT OF DEFAULT IS SUBJECT TO AND LIMITED BY THE AMOUNT OF ANNUAL APPROPRIATIONS AND DOES NOT CONSTITUTE A GENERAL OBLIGATION OF MBTA.

Financial Security Assurance Inc. ("Financial Security"), New York, New York, has delivered its municipal bond insurance policy with respect to the scheduled payments to the ETA Trustee of Principal Components and Interest Components due with respect to this Certificate. Said Policy is on file and available for inspection at the principal office of the ETA Trustee and a copy thereof may be obtained from Financial Security or from the ETA Trustee.

[CERTIFICATE OF
PARTICIPATION]

IN WITNESS WHEREOF, Shawmut Bank, N.A., as Trustee, has caused this Certificate to be manually signed by its Authorized Officer as of the date appearing below.

SHAWMUT BANK, N.A., as Trustee

By: _____
Name:
Title:

Attest:

By: _____
Name:
Title:

Date of Execution: _____

[CERTIFICATE OF
PARTICIPATION]

ASSIGNMENT

FOR VALUE RECEIVED, _____ the undersigned
do(es) hereby sell, assign, and transfer unto

(Name) _____ (Address) _____

Identification Number or Social Security Number/Employer Number
the within-mentioned registered Certificate and do(es) hereby
irrevocably constitute and appoint _____ attorney,
to transfer the same on the Certificate Register of the ETA
Trustee with full power of substitution in the premises.

Dated: _____

Note: The signature(s) on
this Assignment must
correspond with the name(s)
as written on the face of the
within registered Certificate
in every particular without
alteration or enlargement or
any change whatsoever.

Signature(s) Guaranteed:

(Name of Bank)

By: _____
(Signature of Bank Officer)

DP-2396/w
8/26/90
CR.008

EXHIBIT C
FORM OF OPINION OF SPECIAL COUNSEL

[GPH Letterhead]

Massachusetts Bay Transportation Authority
Transportation Building
Ten Park Plaza
Boston, Massachusetts

August 30, 1990

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY
\$85,795,000 Certificates of Participation
1990 Series A

We have acted as special counsel to the Massachusetts Bay Transportation Authority (the "Authority") with respect to the issuance of the certificates described above (the "Certificates"). The Certificates are issued under and pursuant to an Equipment Trust Agreement dated as of August 15, 1990 (the "Trust Agreement") by and between Shawmut Bank, N.A., as trustee (the "Trustee"), and the Authority. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Trust Agreement.

We have not been engaged nor have we undertaken to review the accuracy, completeness or sufficiency of the Official Statement dated August 23, 1990 with respect to the Certificates or other offering material relating to the Certificates (except to the extent, if any, stated in the Official Statement) and we express no opinion relating thereto (excepting only the matters set forth as our opinion in the Official Statement).

Each of the Certificates evidences an interest in the right, title and interest of the Trustee in (1) that certain Lease Agreement dated as of August 15, 1990 by and between the Authority, as Lessor, and the Trustee, as Lessee (the "Lease"), and (2) that certain Sublease Agreement dated as of August 15, 1990 by and between the Trustee, as Sublessor, and the Authority, as Sublessee (the "Sublease"), including the right to receive the rental payments ("Rental Payments") to be made by or on behalf of the Authority pursuant to the Sublease, all with respect to ninety-seven (97) commuter rail passenger

coaches manufactured by Bombardier Inc. (the "Equipment"). The Sublease identifies the interest component of each Rental Payment as interest and each Certificate identifies a component of each payment with respect thereto as interest (the "Interest").

The obligation of the Authority to make Rental Payments is, with respect to each Rental Payment, subject to the conditions that (i) in accordance with Section 5(i) of Chapter 161A of the Massachusetts General Laws (the "Act"), all Rental Payments becoming due in a fiscal year must be shown as current expense in an itemized budget of the Authority approved by its Advisory Board (the "Board") and (ii) the Board shall not have determined, as evidenced in its official records of its deliberations with respect to the approval of such budget, that such Rental Payments shall not be included as current expense in the Authority's budget for such fiscal year. Rental Payments with respect to which the above-described conditions have been satisfied are referred to herein as "Appropriated Rental Payments." The Commonwealth and the Authority have entered into a contract (the "Assistance Contract") by which the Commonwealth has undertaken to pay when due ninety percent (90%) of each Appropriated Rental Payment.

Upon a failure of the Authority to make full payment of a Rental Payment on a Rental Payment Due Date (as defined in the Sublease) during a fiscal year of the Authority with respect to which an Appropriation has not occurred (an "Event of Nonappropriation"), the Sublease provides that it shall terminate and the Authority will no longer be obligated to make payment of any Rental Payments.

Article XII of the Trust Agreement purports to create a security interest in favor of the Trustee for the benefit of the Owners of the Certificates and the Trustee to secure the obligations of the Authority created by the Lease, the Sublease and the Trust Agreement.

We have examined such matters of law, including the Act, and such certified proceedings and other papers as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation. We have assumed that the signatures on all documents and instruments examined by us as originals are authentic and all documents submitted to us as copies conform with the originals.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Authority is a duly organized and existing body politic and corporate and a political subdivision of the Commonwealth, with the corporate power to enter into the Trust Agreement, the Lease and the Sublease.

2. The Trust Agreement, the Lease and the Sublease have been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery by the other parties thereto, are valid and binding obligations of the Authority enforceable upon the Authority, subject to the last paragraph hereof. The Certificates comply with, have been delivered in accordance with, are substantially in the form set forth in and are entitled to the benefits of the Trust Agreement.

3. The obligation of the Authority to pay Appropriated Rental Payments is a valid direct and general obligation of the Authority enforceable upon the Authority, subject to the last paragraph hereof.

4. The Trust Agreement creates in the Trustee for the benefit of the Owners and the Trustee a valid and enforceable security interest in (a) the Equipment and (b) moneys and securities in the possession of or registered in the name of the Trustee (as described in Section 12.1(ii) of the Trust Agreement) (the "Other Collateral"). Upon the filing of a Uniform Commercial Code financing statement with the Secretary of State of the Commonwealth and upon the filing of copies of the Trust Agreement with the Interstate Commerce Commission, the security interest of the Trustee in the Equipment will have been duly perfected. Upon possession by, or transfer to, the Trustee, for the benefit of the Owners and the Trustee, of moneys and securities constituting Other Collateral, the security interest of the Trustee in such Other Collateral will be duly perfected.

5. Section 12 of the Act provides that the Commonwealth shall pay over to the Authority the amount of the Authority's net cost of service if, as of the last day of December in any year, the Authority shall notify the Treasurer of the Commonwealth of any such net cost of service. Section 13 of the Act requires the Commonwealth to make interim payments to the Authority on account of the net cost of service upon certification by the Authority to the Treasurer of the Commonwealth of such cost. Appropriated Rental Payments will be part of such net cost of service. The Assistance Contract is authorized by Section 28 of the Act and has been duly executed and delivered by the parties thereto.

6. The Authority is subject to suit but its property is not generally subject to attachment or levy to pay a judgment for payment of Appropriated Rental Payments.

7. The Interest is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of computing the alternative minimum tax imposed on individuals and corporations under the Internal Revenue Code of 1986, as amended (the "Code"); except that we express no opinion as to the tax exemption, federal or state, of Interest, derived from payments by any person or entity, subsequent to the termination of the Sublease or the substitution of a sublessee, upon the occurrence of an Event of Default or Event of Nonappropriation. It should be noted, however, that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), Interest is taken into account in determining "adjusted net book income" ("adjusted current earnings" for taxable years beginning after 1989). The opinions set forth in this paragraph are subject to the condition that the Authority comply with all requirements of the Code that must be satisfied subsequent to the issuance of Certificates in order that the Interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Authority has covenanted to comply with these requirements with respect to the Interest. Failure to comply with certain of these requirements may cause the inclusion of Interest in gross income for federal income tax purposes to be retroactive to the date of issuance of the Certificates. We express no opinion regarding any other federal tax consequences arising with respect to the Lease, the Sublease or the Certificates.

8. Payments of Interest are excluded from Massachusetts gross income for purposes of Massachusetts personal income tax. We express no opinion regarding any other Massachusetts tax consequences arising with respect to the Lease, the Sublease or the Certificates.

It is to be understood that the rights of the Owners of the Certificates and the enforceability of such rights may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,

YP-7649/M

EXHIBIT D
FORM OF MUNICIPAL LEASE

LEASE AGREEMENT

Dated as of August 15, 1990

by and between

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY
Lessor

and

SHAWMUT BANK, N.A., not in its
individual capacity, but solely as Trustee
Lessee

97 Bombardier Commuter Rail Passenger Coaches

LEASE AGREEMENT

TABLE OF CONTENTS

(This Table of Contents is not a part of the Lease Agreement and is only for convenience of reference.)

	<u>Page</u>
ARTICLE I - DEFINITIONS.....	1
SECTION 1.1 Definitions.....	1
SECTION 1.2 Interpretations.....	1
ARTICLE II - DEMISING CLAUSE.....	2
ARTICLE III - RENT.....	2
ARTICLE IV - QUIET ENJOYMENT.....	2
ARTICLE V - ASSIGNMENT, SUBLEASING AND SELLING.....	2
SECTION 5.1 Covenant of Lessee.....	2
SECTION 5.2 Covenant of Lessor.....	2
ARTICLE VI - SUBSTITUTION, EVENT OF LOSS AND PREPAYMENT.....	3
ARTICLE VII - TERMINATION OF LEASE AGREEMENT.....	3
ARTICLE VIII - MISCELLANEOUS.....	4
SECTION 8.1 Notices.....	4
SECTION 8.2 Performance of Lessee.....	5
SECTION 8.3 Binding Effect.....	6
SECTION 8.4 Amendments, Changes and Modifications..	6
SECTION 8.5 Execution in Counterparts.....	6
SECTION 8.6 Applicable Law.....	6
SECTION 8.7 Captions.....	6
SECTION 8.8 Severability.....	6
SECTION 8.9 Further Assurances and Corrective Instruments.....	6
SECTION 8.10 The Certificate Insurer.....	6
TESTIMONIUM.....	7
SIGNATURES AND SEALS.....	7
SCHEDULE A - DESCRIPTION OF EQUIPMENT.....	
SCHEDULE X - DEFINITIONS.....	

THIS LEASE AGREEMENT dated as of August 15, 1990 is executed by and between MASSACHUSETTS BAY TRANSPORTATION AUTHORITY, a body corporate and politic existing under the laws of The Commonwealth of Massachusetts, as Lessor, and SHAWMUT BANK, N.A., a national banking association, not in its individual capacity, but solely as Trustee under the Equipment Trust Agreement, as Lessee.

W I T N E S S E T H:

WHEREAS, upon the terms and conditions and for the purposes set forth herein, Lessor proposes to lease the Equipment to Lessee and Lessee desires to lease the Equipment from Lessor; and

WHEREAS, Lessee has issued the Certificates to provide funds sufficient to pay the Advance Rental Cost hereunder and all expenses incurred in connection with the issuance of the Certificates; and

WHEREAS, concurrently with the execution of this Lease Agreement, Lessee has sold, issued and delivered to the initial purchasers thereof the Certificates and deposited the proceeds thereof in accordance with the provisions of the Equipment Trust Agreement;

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1 Definitions. Capitalized terms and phrases used herein shall for all purposes of this Lease Agreement, including the preceding recitals, have the respective meanings specified therefor in Schedule X hereto unless the context clearly otherwise requires.

SECTION 1.2 Interpretations. All references in this instrument to designated "Articles," "Sections" and other subdivisions are, unless otherwise specified, to the designated Articles, Sections and subdivisions of this instrument as originally executed. The words "hereof," "herein," "hereto," "hereby" and "hereunder" refer to this entire Lease Agreement. Words importing persons include firms, associations and corporations; all words importing the singular number include the plural number and vice versa; and all words importing the masculine gender include the feminine gender.

ARTICLE II

DEMISING CLAUSE

Lessor rents, leases and lets to Lessee, and Lessee rents, leases and hires from Lessor, for rentals and upon and subject to the terms and conditions herein set forth, the Equipment, for a term commencing on August 15, 1990 and ending on August 1, 2015, except as otherwise provided herein.

ARTICLE III

RENT

On the Closing Date, Lessee shall pay to Lessor rent in advance for the use of the Equipment equal to the Advance Rental Cost.

ARTICLE IV

QUIET ENJOYMENT

Lessor will not take any action, other than pursuant to Articles VI and VII hereof, to prevent Lessee from having quiet and peaceable possession and enjoyment of the Equipment during the Municipal Lease Term and will, at the request of Lessee and at Lessor's cost, cooperate with Lessee in order that Lessee may have quiet and peaceable possession and enjoyment of the Equipment.

ARTICLE V

ASSIGNMENT, SUBLEASING AND SELLING

SECTION 5.1 Covenant of Lessee. Lessee will sublease the Equipment to Lessor pursuant to the Municipal Sublease. Except for subleasing the Equipment to Lessor under the Municipal Sublease or as may otherwise be permitted hereunder or under Applicable Law and equitable provisions governing bankruptcy and the enforcement of creditors' rights generally, Lessee shall not assign this Lease Agreement nor sublease, sell, assign, transfer or convey the Equipment or its interest therein, as a whole or in part.

SECTION 5.2 Covenant of Lessor. Lessor will sublease the Equipment from Lessee pursuant to the Municipal Sublease. Without the express written consent of Lessee and of the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy), Lessor shall not assign this

Lease Agreement nor sell, assign, transfer or convey the Equipment or its interest therein, as a whole or in part.

ARTICLE VI

SUBSTITUTION, EVENT OF LOSS AND PREPAYMENT

An Item of Equipment that ceases to be "Equipment" for purposes of the Municipal Sublease pursuant to Section 7.3 of the Municipal Sublease shall also cease to be "Equipment" for purposes of this Lease Agreement. Any Substitute Equipment (as defined in the Municipal Sublease) that becomes an Item of Equipment for purposes of the Municipal Sublease pursuant to Section 7.3 of the Municipal Sublease shall also become an Item of Equipment for purposes of this Lease Agreement.

Upon the termination of the Municipal Sublease with respect to an Item of Equipment as a result of an Event of Loss described in Section 7.2 of the Municipal Sublease, this Lease Agreement shall also terminate with respect to such Item of Equipment. To the extent the obligations of Sublessee under the Municipal Sublease cease with respect to an Item of Equipment pursuant to Section 7.2 of the Municipal Sublease, the obligations of Lessee under this Lease Agreement shall also cease with respect to such Item of Equipment.

To the extent all Sublessor claims under the Municipal Sublease are released with respect to an Item of Equipment pursuant to Section 12.3 of the Municipal Sublease, this Lease Agreement shall terminate with respect to such Item of Equipment.

In the event any Part or Addition, pursuant to Section 6.3 or Section 6.4 of the Municipal Sublease, becomes subject to the terms of the Municipal Sublease, such Part or Addition shall also be subject to the terms of this Lease Agreement. In the event any Part or Addition, pursuant to Section 6.3 or Section 6.4 of the Municipal Sublease, ceases to be subject to the terms of the Municipal Sublease, such Part or Addition shall also cease to be subject to the terms of this Lease Agreement.

ARTICLE VII

TERMINATION OF LEASE AGREEMENT

This Lease Agreement shall terminate upon payment of all Rental Payments required by the Municipal Sublease. Upon the termination of this Lease Agreement pursuant to the preceding sentence, Lessee shall deliver to Lessor any instruments that may be reasonably requested by Lessor to evidence such termination and the relinquishment of all of Lessee's rights

and interests in the Equipment and in this Lease Agreement. This Lease Agreement shall also terminate upon the occurrence of an Event of Nonappropriation, or at the option of Lessee, upon the occurrence of a Municipal Sublease Event of Default, with the consent or at the direction of the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy). Upon the termination of this Lease Agreement pursuant to the preceding sentence, Lessor shall deliver to Lessee any instruments that may be reasonably requested by Lessee to evidence such termination and the relinquishment of all of Lessor's right, title and interests in the Equipment and in this Lease Agreement. Notwithstanding the previous sentences contained in this Article VII, this Lease Agreement shall not terminate (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy) except upon the consent or at the direction of the Certificate Insurer. Notwithstanding any provision to the contrary contained herein, in the Municipal Sublease or in the Equipment Trust Agreement, any and all remedies available to either Lessor or Lessee upon the occurrence of a Municipal Sublease Event of Default or Event of Nonappropriation shall survive the termination of this Lease Agreement.

VIII

MISCELLANEOUS

SECTION 8.1 Notices. All notices, offers, instructions, acceptances, approvals, waivers, requests, demands and other communications required or permitted hereunder to be given to or made upon any party hereto or under any instrument, certificate or other document delivered in connection with the transactions described herein shall be considered as properly given (a) if delivered in person, (b) if sent by an overnight delivery service which provides signed acknowledgments of receipt, (c) if mailed by first class United States mail, postage prepaid, registered or certified with return receipt requested or (d) if sent by telegram (with messenger delivery specified) or by telecopier and, in each such case, confirmed by telephone by the sender. Communications so mailed shall be effective upon the expiration of five (5) Business Days after deposit. Communications given in any other manner shall be effective upon receipt by the addressee; provided, however, that if any communication is tendered to an addressee and the delivery thereof is refused by such addressee, such communication shall be effective upon the tender. For the purposes of communications, the addresses of the parties shall be as set forth below; provided, however, that any party shall have the right to change its address for communications

hereunder to any other location by giving thirty (30) days notice to the other party in the manner set forth hereinabove. The initial addresses of the parties hereto are as follows:

If to Lessor:

Massachusetts Bay Transportation Authority
Transportation Building
Ten Park Plaza
Boston, Massachusetts 02116
Attn: Treasurer
Telecopier: (617) 722-5368

If to Lessee:

Shawmut Bank, N.A.
One Federal Street
Boston, Massachusetts 02211
Attn: Corporate Trust Administration
Telecopier: (617) 292-4289

If to the Certificate Insurer:

Financial Security Assurance Inc.
350 Park Avenue
New York, New York 10022-6022
Attn: Managing Director-Surveillance
Telecopier: (212) 688-3101

In all cases with a copy to:

Goodwin, Procter & Hoar
Exchange Place
Boston, Massachusetts 02109
Attn: F. Beirne Lovely, Jr., Esq.
Telecopier: (617) 523-1231

SECTION 8.2 Performance of Lessee. Lessee shall not be obligated to take any action or execute any instrument pursuant to any provision hereof (a) until it shall have been requested to do so by the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy) or, with the consent of the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy), by Lessor, and (b) until, with respect to the execution of any instrument, it shall have received the instrument to be executed, and, at Lessee's option, it shall have received from Lessor or the Certificate Insurer assurance satisfactory to Lessee that Lessee shall be reimbursed for its reasonable expenses incurred or to be incurred in connection with taking such action or executing such instrument.

SECTION 8.3 Binding Effect. This Lease Agreement shall inure to the benefit of Lessee, Lessor, the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy) and their respective successors and assigns, and shall be binding upon Lessee, Lessor and their respective successors and assigns, subject, however, to the limitations contained in Article V hereof.

SECTION 8.4 Amendments, Changes and Modifications. This Lease Agreement may not be amended, changed, modified, altered or terminated except in accordance with the applicable provisions of the Equipment Trust Agreement.

SECTION 8.5 Execution in Counterparts. This Lease Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 8.6 Applicable Law. This Lease Agreement shall be deemed to have been executed under seal, and shall be governed by and construed in accordance with the laws of The Commonwealth of Massachusetts.

SECTION 8.7 Captions. The captions or headings in this Lease Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provision, Article or Section of this Lease Agreement.

SECTION 8.8 Severability. If any provision of this Lease Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 8.9 Further Assurances and Corrective Instruments. Lessee and Lessor, subject to the provisions of Article X of the Equipment Trust Agreement, will execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, from time to time, such amendments or supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Equipment hereby leased or intended so to be or for carrying out the intention of or facilitating the performance of this Lease Agreement.

SECTION 8.10 The Certificate Insurer. Whenever the Certificate Insurer is given powers under this Lease Agreement or under any other Municipal Document, such powers shall be exercisable only so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Lease Agreement to be executed in their respective corporate names and their respective corporate seals to be hereunto affixed and attested by their duly authorized officers, all as of the day and year first above written.

MASSACHUSETTS BAY TRANSPORTATION
AUTHORITY

Attest:

By: _____

Name:
Title:

Name:
Title:

Approved as to form for
Massachusetts Bay
Transportation Authority

By: _____

Name:
Title:

SHAWMUT BANK, N.A., not in its
individual capacity, but solely as
Trustee

Attest:

By: _____

Name:
Title:

By: _____

Name:
Title:

Commonwealth of Massachusetts)
County of Suffolk) ss:

On this ___ day of August, 1990 before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of Shawmut Bank, N.A., that the seal affixed to the foregoing instrument is the corporate seal of said bank, that said instrument was signed and sealed on behalf of said bank by authority of its Board of Directors; and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said bank.

My Commission expires _____

Commonwealth of Massachusetts)
County of Suffolk) ss:

On this ___ day of August, 1990, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of Massachusetts Bay Transportation Authority, that the seal affixed to the foregoing instrument is the corporate seal of said authority, that said instrument was signed and sealed on behalf of said authority by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said authority.

My Commission expires _____

EXHIBIT E
FORM OF MUNICIPAL SUBLEASE

SUBLEASE AGREEMENT

Dated as of August 15, 1990

by and between

SHAWMUT BANK, N.A., not in its
individual capacity, but solely as Trustee
Sublessor

and

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY
Sublessee

97 Bombardier Commuter Rail Passenger Coaches

SUBLEASE AGREEMENT

TABLE OF CONTENTS

(This Table of Contents is not a part of the Sublease Agreement and is only for convenience of reference.)

	<u>Page</u>
ARTICLE I - DEFINITIONS.....	1
Section 1.1. Definitions.....	1
Section 1.2. Interpretations.....	1
ARTICLE II - REPRESENTATIONS.....	1
Section 2.1. Representations by Sublessor.....	1
Section 2.2. Representations by Sublessee.....	2
ARTICLE III - DEMISING CLAUSE.....	3
Section 3.1. Demise of the Equipment.....	3
Section 3.2. Net Sublease.....	3
ARTICLE IV - QUIET ENJOYMENT; SUBRENTAL PROVISIONS....	4
Section 4.1. Quiet Enjoyment.....	4
Section 4.2. Rental Payments.....	4
Section 4.3. Early Termination Upon Event of Nonappropriation; Notice.....	5
Section 4.4. Tax Exemption Covenant.....	5
Section 4.5. Payment of Fees and Expenses.....	6
Section 4.6. Investment Losses.....	6
ARTICLE V - SPECIAL COVENANTS.....	6
Section 5.1. No Warranty of Condition or Suitability by Sublessor.....	6
Section 5.2. Inspection of the Equipment.....	7
Section 5.3. Annual Statement.....	7
Section 5.4. Further Assurances and Corrective Instruments.....	7
Section 5.5. Contract Assistance.....	7
ARTICLE VI - MAINTENANCE; OPERATION; REPLACEMENT OF PARTS; MODIFICATION; TAXES; INSURANCE AND OTHER CHARGES.....	9
Section 6.1. Maintenance of Equipment by Sublessee.....	9
Section 6.2. Operation.....	9

	<u>Page</u>
Section 6.3. Replacement of Parts.....	10
Section 6.4. Modification or Alteration.....	11
Section 6.5. Taxes, Other Governmental Charges and Utility Charges.....	12
Section 6.6. Provisions Regarding Insurance.....	13
Section 6.7. Advances.....	14
Section 6.8. Certification, Etc.....	14
Section 6.9. Additional Insurance.....	15
ARTICLE VII - EVENT OF LOSS.....	15
Section 7.1. Notice of Damage or Loss; Election.	15
Section 7.2. Payment of Municipal Sublease Stipulation Loss Value.....	15
Section 7.3. Substitution.....	16
ARTICLE VIII - APPLICATION OF PROCEEDS.....	18
Section 8.1. Application of Insurance Proceeds in an Event of Loss.....	18
Section 8.2. Application of Insurance Proceeds in a Casualty not Constituting an Event of Loss.....	18
Section 8.3. Application of Payments from Governmental Authorities.....	19
Section 8.4. Application During Existence of Municipal Sublease Default or Municipal Sublease Event of Default.....	19
ARTICLE IX - LIENS.....	19
ARTICLE X - ASSIGNMENT, RESUBLEASING, INDEMNIFICATION AND SELLING.....	20
Section 10.1. Assignment and Resubleasing.....	20
Section 10.2. Release and Indemnification Covenants.....	20
Section 10.3. Indemnification of Certificate Insurer.....	21
Section 10.4. Assignment by Sublessor.....	21
ARTICLE XI - EVENTS OF DEFAULT AND REMEDIES.....	22
Section 11.1. Events of Default and Default Defined.....	22
Section 11.2. Remedies on Municipal Sublease Event of Default or Event of Nonappropriation.....	23
Section 11.3. No Remedy Exclusive.....	25

	<u>Page</u>
Section 11.4. Agreement to Pay Attorneys' Fees and Expenses.....	25
Section 11.5. No Additional Waiver Implied by One Waiver.....	26
Section 11.6. Termination of Sublease Agreement..	26
Section 11.7. Limitation on Obligations.....	26
ARTICLE XII - PREPAYMENT OF RENTAL PAYMENTS.....	26
Section 12.1. Prepayment of Rental Payments.....	26
Section 12.2. Amount and Notice of Prepayment....	27
Section 12.3 Release of Equipment.....	27
ARTICLE XIII - [Intentionally Omitted].....	28
ARTICLE XIV - RETURN.....	28
Section 14.1. Obligation to Return.....	28
Section 14.2. Logs and Other Records.....	28
Section 14.3. Condition Upon Return.....	28
Section 14.4. Repairs.....	29
ARTICLE XV - MISCELLANEOUS.....	29
Section 15.1. Performance of Sublessor.....	29
Section 15.2. Notices.....	29
Section 15.3. Binding Effect.....	31
Section 15.4. Severability.....	31
Section 15.5. Amendments, Changes and Modifications.....	31
Section 15.6. Execution in Counterparts.....	31
Section 15.7. Applicable Law.....	31
Section 15.8. Captions.....	31
Section 15.9. Continuing Obligation.....	31
Section 15.10 The Certificate Insurer.....	31
TESTIMONIUM.....	32
SIGNATURES AND SEALS.....	32
SCHEDULE A - Rental Payments.....	
SCHEDULE B - Municipal Sublease Stipulated Loss Values.....	
SCHEDULE C - Sublessor's Cost.....	
SCHEDULE D - Amortized Value Schedules.....	
SCHEDULE X - Definitions.....	

THIS SUBLEASE AGREEMENT dated as of August 15, 1990 is executed by and between SHAWMUT BANK, N.A., a national banking association, not in its individual capacity, but solely as the ETA Trustee under the Equipment Trust Agreement, as Sublessor, and MASSACHUSETTS BAY TRANSPORTATION AUTHORITY, a body politic and corporate and a political subdivision of The Commonwealth of Massachusetts, as Sublessee.

W I T N E S S E T H:

WHEREAS, Sublessor desires to sublease the Equipment to Sublessee, and Sublessee desires to sublease the same from Sublessor, upon the terms and conditions and for the purposes set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Capitalized terms and phrases used herein shall for all purposes of this Sublease Agreement, including the preceding recitals, have the respective meanings specified in Schedule X hereto unless the context clearly otherwise requires.

Section 1.2. Interpretations. All references in this instrument to designated "Articles," "Sections" and other subdivisions are, unless otherwise specified, to the designated Articles, Sections and subdivisions of this instrument as originally executed. The words "hereof," "herein," "hereto," "hereby" and "hereunder" refer to this entire Sublease Agreement. Words importing persons include firms, associations and corporations; all words importing the singular number include the plural number and vice versa; and all words importing the masculine gender include the feminine gender.

ARTICLE II

REPRESENTATIONS

Section 2.1. Representations by Sublessor. Sublessor represents and warrants to Sublessee that:

(a) Sublessor is a national banking association organized and existing under the laws of the United States of America. Sublessor is authorized to enter into the transactions contemplated by this Sublease Agreement and to carry out its obligations hereunder. Sublessor has been duly authorized to execute and deliver this Sublease Agreement.

(b) Sublessor has acquired a leasehold interest in the Equipment pursuant to the Municipal Lease, has not subjected the Equipment to any liens or encumbrances and, by this Sublease Agreement, has subleased the Equipment to Sublessee.

(c) The execution and delivery of this Sublease Agreement, the consummation of the transactions described herein, and the fulfillment of or compliance with the terms, conditions and provisions of this Sublease Agreement will not conflict with or result in a breach of the terms, conditions or provisions of any corporate restriction or any agreement or instrument to which Sublessor is now a party or by which it is bound, or constitute a default under any of the foregoing.

Section 2.2. Representations by Sublessee. Sublessee represents and warrants to Sublessor that:

(a) Sublessee is a public body corporate and politic duly organized and validly existing under the Constitution and laws of the Commonwealth.

(b) Sublessee qualifies as a political subdivision of a state of the United States of America for purposes of Section 103(c)(1) of the Code and Section 3(a)(2) of the Securities Act, and the Interest Component of each payment with respect to Certificates will be treated as interest excluded from gross income for federal income tax purposes under the provisions of Section 103 of the Code.

(c) Sublessee will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body corporate and politic.

(d) Sublessee is authorized under the Constitution and laws of the Commonwealth to enter into this Sublease Agreement and the transactions described herein and to perform all of its obligations hereunder.

(e) Sublessee has been duly authorized to execute and deliver this Sublease Agreement under the terms and provisions of a resolution of its Board; Sublessee has complied with such public bidding requirements as may be applicable to this Sublease Agreement and the leasing by Sublessee of the

Equipment hereunder; and this Sublease Agreement has been duly executed and delivered by Sublessee.

(f) During the Municipal Sublease Term, the Equipment will be used by Sublessee only for the purpose of performing one or more essential governmental or proprietary functions of Sublessee consistent with the permissible scope of Sublessee's authority.

(g) Sublessee reasonably believes on the date hereof that funds are available or can be obtained sufficient to pay all Rental Payments and other sums due hereunder during the Municipal Sublease Term (except for action to be taken from time to time by the Advisory Board and the General Court of the Commonwealth).

(h) Sublessee's Fiscal Period begins on July 1 and ends on June 30. Sufficient funds have been appropriated to pay Rental Payments through Sublessee's Fiscal Period ending on June 30, 1991.

(i) The execution and delivery of this Sublease Agreement, the consummation of the transactions described herein, and the fulfillment of or compliance with the terms, conditions and provisions of this Sublease Agreement will not conflict with or result in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which Sublessee is now a party or by which it is bound, or constitute a default under any of the foregoing.

(j) No Event of Loss or any event which with the passage of time would become an Event of Loss has occurred with respect to any Item of Equipment.

ARTICLE III

DEMISING CLAUSE

Section 3.1. Demise of the Equipment. Sublessor rents, subleases and sublets to Sublessee, and Sublessee rents, subleases and hires from Sublessor for the Rental Payments and upon and subject to the terms and conditions herein set forth, all rights and interests of Sublessor in the Equipment, subject to Permitted Liens (but not Lessor Liens), for a term commencing on August 15, 1990 and ending on August 1, 2015, except as otherwise provided herein.

Section 3.2. Net Sublease. This Sublease Agreement shall be deemed and construed to be a "net sublease," and Sublessee shall pay absolutely net during the Municipal Sublease Term the

Rental Payments and all other payments required hereunder, free of any deductions, and without abatement, deduction or set-off, for costs, fees, charges and expenses related to the installation, use, possession, taxes, operation, maintenance, repair and return of the Equipment, insurance premiums and comparable costs, other than those deductions herein expressly provided.

ARTICLE IV

QUIET ENJOYMENT: SUBRENTAL PROVISIONS

Section 4.1. Quiet Enjoyment. Sublessor will maintain the Sublease Agreement in full force and effect in accordance with its terms and will not take any action, other than pursuant to Sections 5.2, 6.7 and 11.2, to prevent Sublessee from having quiet and peaceable possession and enjoyment of the Equipment during the Municipal Sublease Term and will, at the request of Sublessee, and at its cost, cooperate with Sublessee in order that Sublessee may have quiet and peaceable possession and enjoyment of the Equipment.

Section 4.2. Rental Payments. (a) Sublessee shall pay a Rental Payment in lawful money of the United States of America on each Rental Payment Due Date during the Municipal Sublease Term in an amount determined pursuant to Section 4.2(b), provided, however, that the obligation to pay Rental Payments shall, with respect to each Rental Payment, be subject to the condition that an Appropriation shall have occurred with respect to the Fiscal Period in which the Rental Payment Due Date for such Rental Payment occurs.

(b) Each Rental Payment to be paid by Sublessee shall be in an amount sufficient to pay the Principal Component and Interest Component becoming due on Certificates Outstanding on the Rental Payment Due Date on which such Rental Payment becomes due, minus any other moneys available therefor in the Certificate Fund. As of the date hereof, Sublessor and Sublessee anticipate that the Rental Payment to be paid by Sublessee on each Rental Payment Due Date shall be the amount in the "Rental Payment" column set forth in Schedule A hereto opposite such Rental Payment Due Date. Schedule A hereto may be amended from time to time in accordance with Section 7.2 and Section 12.2. Each Rental Payment shall constitute payment under this Sublease Agreement for the six-month period ending on the Rental Payment Due Date on which such Rental Payment is made, except that the first Rental Payment shall constitute payment under this Sublease Agreement for the period commencing on the dated date of the Certificates and ending on February 1, 1991.

Section 4.3. Early Termination upon Event of Nonappropriation; Notice. (a) Upon an Event of Nonappropriation, this Sublease Agreement shall terminate and Sublessee shall no longer be obligated to make payment of any Rental Payments becoming due in the Fiscal Period in respect of which an Appropriation shall not have occurred and all Fiscal Periods thereafter, without prejudice to any obligation of Sublessee under this Sublease Agreement (including, without limitation, any other payment obligation) arising prior to such termination. Notwithstanding any provision contained herein to the contrary, any and all remedies available to Sublessor or to the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy) upon the occurrence of an Event of Nonappropriation shall survive the termination of this Sublease Agreement.

(b) If at any time an Appropriation has not occurred with respect to the next ensuing Fiscal Period, Sublessee shall promptly give written notice of that fact to Sublessor with a copy to the Certificate Insurer. If a budget of Sublessee that does not constitute an Appropriation with respect to the next ensuing Fiscal Period has been adopted by the Board, Sublessee shall promptly give written notice of such fact to Sublessor with a copy to the Certificate Insurer.

Section 4.4. Tax Exemption Covenant. Sublessee and Sublessor intend that the portion of each Rental Payment that is equal to the Interest Component of such Rental Payment ("Interest") shall be interest excluded from gross income for federal income tax purposes. In order to maintain the exclusion from gross income of the Interest for federal income tax purposes, Sublessee covenants to comply with all requirements of the Code that must be satisfied subsequent to the issuance of an obligation in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code. Without limiting the generality of the foregoing, Sublessee covenants (i) that it will not make or permit any use of any funds that are or would be treated as proceeds of the Municipal Lease and this Agreement or of the Certificates for purposes of Section 148 of the Code that would cause Interest to fail or cease to be excluded from gross income for federal income tax purposes, (ii) that it will comply with the requirements of Section 148(f) of the Code so as to prevent the Municipal Lease and this Sublease Agreement, and the Certificates, from being determined to be arbitrage bonds within the meaning of Section 148 of the Code, and (iii) that it will agree to amend the Municipal Lease, this Municipal Sublease and/or the Equipment Trust Agreement as may be required, as determined by nationally recognized bond counsel, in order to maintain the exclusion from gross income of the Interest for federal income tax

purposes, provided such amendments will not in any way adversely affect the rights of MBTA, as determined in the sole and absolute discretion of MBTA. In order to implement the foregoing covenants, Sublessee agrees to comply with any MBTA Investment Instructions and Rebate Instructions delivered to it by Special Counsel. Sublessee also covenants that it will not take any action that would cause Interest to be an item of tax preference for purposes of the alternative minimum tax imposed by the Code on individuals and corporations, provided, however, that the parties acknowledge that, the aforesaid covenant notwithstanding, with respect to certain Persons, such Interest is taken into account in determining adjusted net book income (adjusted current earnings for taxable years beginning after December 31, 1989) for purposes of such alternative minimum tax. The covenants set forth in this Section 4.4 shall survive the expiration or termination of this Sublease Agreement.

Section 4.5. Payment of Fees and Expenses. Sublessee, on each Rental Payment Due Date, shall pay directly to Sublessor, for deposit into the Additional Rent Account, any amounts to be paid as Additional Rent that, as of such Rental Payment Due Date, are then owing. Sublessor, as the ETA Trustee, promptly thereafter shall disburse to the appropriate Person(s) such amounts that are to be paid from the Additional Rent Account, only to the extent, however, of the available balance in the Additional Rent Account. If Sublessee fails to pay to Sublessor on any Rental Payment Due Date the required amounts to be paid to Sublessor as Additional Rent, then such outstanding amounts shall accrue interest at the Corporate Base Rate plus two percent (2%) per annum until paid and, until paid, shall be secured by a first lien on the Equipment and the Funds (except for the Rebate Fund) and other property held hereunder by Sublessor.

Section 4.6. Investment Losses. Any Rental Payment to be made on any Rental Payment Due Date, and any payment to be made on any Redemption Date in respect of an optional redemption or a redemption upon the occurrence of an Event of Loss pursuant to Section 6.1(b) or Section 6.1(c), respectively, of the Equipment Trust Agreement, shall be in an amount sufficient to pay the Rental Payment due on such Rental Payment Due Date or such other payment on such Redemption Date, as the case may be, including amounts necessary to make up for investment losses, if any, with respect to moneys on deposit in the Funds held for the purpose of making such Rental Payment or such other payment in respect of a redemption described above.

ARTICLE V

SPECIAL COVENANTS

Section 5.1. No Warranty of Condition or Suitability by Sublessor. Sublessor makes no warranty, either express or

implied, as to the Equipment or that it will be suitable for the purpose or needs of Sublessee.

Section 5.2. Inspection of the Equipment. Sublessor and its duly authorized agent shall have the right at all reasonable times to examine and inspect the Equipment. The rights set forth in this Section shall be exercised only upon reasonable notice to Sublessee and such examinations and inspections shall be subject to reasonable safety requirements.

Section 5.3. Annual Statement. Sublessee shall each year have an annual audit made by its regular independent certified public accountants and furnish Sublessor and the Certificate Insurer (when such information is made publicly available) with a balance sheet and statement of income and surplus showing its financial condition at the close of such Fiscal Period and the results of its operations for such Fiscal Period accompanied by a certificate or opinion of said accountants. In addition, Sublessee shall annually provide Sublessor and the Certificate Insurer with such other financial information relating to Sublessee and the Commonwealth as may be reasonably requested by Sublessor or the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy).

Section 5.4. Further Assurances and Corrective Instruments. Subject to Article X of the Equipment Trust Agreement, Sublessor and Sublessee will execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, from time to time, such amendments and supplements required for correcting any inadequate or incorrect description of the Equipment hereby subleased or intended so to be or for carrying out the intention of or facilitating the performance of this Sublease Agreement. This Sublease Agreement may not be amended, changed, modified, altered or terminated except in accordance with the applicable provisions of the Equipment Trust Agreement.

Section 5.5. Contract Assistance. Sublessee shall, at all times until all the Equipment shall have been returned or purchased, and until all other obligations of Sublessee under this Sublease Agreement shall have been satisfied, fully and promptly exercise all rights and pursue all claims and remedies which are available to Sublessee against the Commonwealth with respect to the payment by the Commonwealth of, or the reimbursement of Sublessee by the Commonwealth with respect to, Rental Payments, including, without limitation, all rights, remedies or claims from time to time possessed by Sublessee under the Contract for Financial Assistance and/or under Sections 12, 13 or 28 of the Act (such specific statutory provisions or other statutory provisions from time to time providing rights, claims or remedies in favor of Sublessee as

against the Commonwealth with respect to Rental Payments which are substantially equivalent thereto are collectively referred to herein as the "Contract Assistance Provisions"). Without limitation to the foregoing, Sublessee agrees with Sublessor as follows:

(a) Sublessee shall in a timely fashion take all lawful actions not in violation of its statutory obligations to cause an Appropriation to be made for each of its Fiscal Periods during the Municipal Sublease Term;

(b) Sublessee shall in a timely fashion in each Fiscal Period submit to the Advisory Board an itemized budget (with a copy to the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy)) which includes, in the line item thereof in which rental payments are shown, an amount sufficient to pay one hundred percent (100%) of its estimated current expenses in respect of its obligations under this Municipal Sublease for such Fiscal Period including one hundred percent (100%) of the Rental Payments; provided, however, that Sublessee may show separately in such line item a reduction for any amount to be received in such Fiscal Period pursuant to the Contract for Financial Assistance or any other financial assistance arrangements with the Commonwealth or others;

(c) Promptly after becoming aware that the Rental Payments and any Additional Rent payable hereunder in any Fiscal Period is or shall be greater than the Rental Payments and Additional Rent previously budgeted for such Fiscal Period, Sublessee shall take all lawful actions to include or cause to be included a supplemental budget for such Fiscal Period covering the amount by which such aggregate actual amount of Rental Payments and Additional Rent exceeds such previously budgeted aggregate amount;

(d) Sublessee will promptly submit to the Treasurer of the Commonwealth (with a copy to the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy)) all reports, requests, certificates or other instruments required to obtain payment from the Commonwealth under the Contract Assistance Provisions and under the Contract for Financial Assistance; and

(e) Sublessee will not enter into any amendment to the Contract for Financial Assistance without the consent of the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy).

If prior to any Rental Payment Due Date Sublessee has Actual Knowledge that it will be without funds sufficient to pay in full the Rental Payment due on such Rental Payment Due Date, Sublessee shall immediately execute and deliver to the Treasurer of the Commonwealth (with a copy to the Certificate Insurer) a certification under Sections 12 or 13 of the Act calling for the payment by the Commonwealth to Sublessee of the net cost of service consisting of that portion of the Rental Payment for which Sublessee lacks sufficient funds. If the Commonwealth does not promptly pay the amount so certified, Sublessee shall promptly and diligently proceed against the Commonwealth through the use of all appropriate judicial remedies to obtain payment of the amount so certified.

ARTICLE VI

MAINTENANCE; OPERATION; REPLACEMENT OF PARTS; MODIFICATION; TAXES; INSURANCE AND OTHER CHARGES

Section 6.1. Maintenance of Equipment by Sublessee. During the Municipal Sublease Term and the storage period referred to in Section 14.1, Sublessee, at no expense to Sublessor, shall maintain, inspect, service, repair, overhaul and test, or cause to be maintained, inspected, serviced, repaired, overhauled and tested, each Item of Equipment so as to keep such Item of Equipment in good operating condition, ordinary wear and tear from the careful and proper use thereof excepted, otherwise in conformity with the operating, running, maintenance and repair manuals, instructions and service bulletins furnished by the Manufacturer or by any subcontractor or supplier of the Manufacturer, and in accordance with Sublessee's standard practices for similar equipment, which practices shall be deemed to include without limitation Sublessee's maintenance program for the Equipment, as such program may be from time to time in effect. Sublessee shall maintain all records, logs and other materials required by all Governmental Authorities to be maintained in respect of the Equipment and shall promptly furnish to Sublessor upon Sublessor's request such information as may be required to enable Sublessor to file any reports required to be filed with any Governmental Authority as a result of Sublessor's interest in any Item of Equipment.

Section 6.2. Operation. (a) Sublessee shall not permit any Item of Equipment to be maintained, serviced, repaired, overhauled, tested, used or operated in violation of any applicable law, rule, regulation or order of any Governmental Authority, or in violation of any license or regulation relating to any Item of Equipment issued by any such Governmental Authority; provided, however, that Sublessee may

contest in good faith the validity thereof in any reasonable manner which does not adversely affect Sublessor and which is consistent with and does not impair the continuance in full force and effect of any insurance required to be maintained pursuant to Section 6.6. If any such law, rule, regulation or order requires alteration of any Item of Equipment, Sublessee will comply therewith or cause such compliance at no expense to Sublessor, and will maintain such Item of Equipment in proper operating condition under such law, rule, regulation or order; provided, however, that Sublessee may contest in good faith the validity thereof in any reasonable manner which does not adversely affect Sublessor and which is consistent with any insurance required to be maintained pursuant to Section 6.6.

(b) Sublessee agrees that (i) it will not operate or locate any Item of Equipment, or suffer any Item of Equipment to be operated or located, in any area or on any route or in any manner excluded from coverage by any insurance required by the terms of Section 6.6 and (ii) it will not operate the Equipment at any time that any Municipal Sublease Event of Default described in the first clause of Section 11.1(e) shall have occurred and be continuing.

(c) Sublessor agrees to take, at Sublessee's request and at no expense to Sublessor, such reasonable actions as may be appropriate to comply with all laws, rules, regulations and orders applicable to Sublessor and necessary to continue the operation of the Equipment to the extent that such actions cannot be taken by Sublessee on behalf of Sublessor.

Section 6.3. Replacement of Parts. Sublessee, at no expense to Sublessor, will promptly replace all Parts which may from time to time become worn out, lost, stolen, destroyed, seized, confiscated, damaged beyond repair or permanently rendered unfit for use for any reason whatsoever. In addition, Sublessee may remove in the ordinary course of maintenance, service, repair, overhaul or testing and at no expense to Sublessor, any Parts, whether or not worn out, lost, stolen, destroyed, seized, confiscated, damaged beyond repair or permanently rendered unfit for use; provided that Sublessee will replace such Parts as promptly as possible and at no expense to Sublessor. All replacement Parts immediately prior to installation on the Equipment shall be free and clear of all Liens other than Permitted Liens (but not Lessor Liens), and shall be in as good operating condition as, and shall have a value and utility at least equal to, the Parts replaced, assuming such replaced Parts were in the condition and repair required to be maintained by the terms hereof; provided, however, that Sublessee shall have the right to install temporary replacement Parts pending completion of permanent repairs or installation of permanent replacement Parts, in which event Sublessee shall install permanent replacement Parts

complying with the requirements of this Section 6.3 as soon as reasonably possible and in any event prior to the expiration or other termination of the Municipal Sublease Term. Subject to the provisions of Section 6.4, all Parts at any time removed from any Item of Equipment shall remain subject to the Municipal Lease and this Sublease Agreement, no matter where located, until such time as any such Part shall be replaced by Parts (i) which have been incorporated or installed in or attached to the Item of Equipment from which such replaced Parts were removed and (ii) which meet the requirements for permanent replacement Parts specified above. Immediately upon any replacement Part becoming incorporated or installed in or attached to such Item of Equipment as above provided, without further act, (a) such replacement Part shall become subject to the Municipal Lease and this Sublease Agreement and be deemed part of such Item of Equipment for all purposes hereof to the same extent as the Part originally incorporated or installed in or attached to such Item of Equipment, and (b) the replaced Part shall thereupon no longer be subject to the leasehold interest of Sublessor created under the Municipal Lease and shall no longer be deemed a "Part" hereunder.

Section 6.4. Modification or Alteration. (a) Sublessee, at no expense to Sublessor, will make such alterations and modifications in and additions to the Equipment as may be required from time to time (regardless upon whom such requirements are by their terms otherwise imposed) to meet all requirements of Applicable Law; provided, however, that Sublessee may contest in good faith the validity of such requirements in any reasonable manner which does not adversely affect Sublessor and which is consistent with and does not impair the continuance in full force and effect of any insurance required to be maintained pursuant to Section 6.6. In addition, Sublessee, at no expense to Sublessor, may make from time to time such alterations, modifications and additions to any Item of Equipment as Sublessee deems desirable in the proper conduct of its business, including removal of Parts which Sublessee deems obsolete or no longer appropriate or suitable for use in the Equipment (such Parts hereinafter referred to as "Obsolete Parts"); provided that no such alteration, modification, removal or addition changes the basic use or function of the Equipment or diminishes the value, utility, remaining useful life, residual value or condition of such Item of Equipment below the value, utility, remaining useful life, residual value and condition thereof immediately prior to such alteration, modification, removal or addition, assuming such Item of Equipment was then in the condition required to be maintained by the terms of this Sublease Agreement. Except as otherwise set forth in the next succeeding sentence, title to all appliances, parts, instruments, appurtenances, accessories, furnishings and other equipment of whatever nature incorporated or installed in or

attached to or added to such Item of Equipment as the result of any such alteration, modification or addition (hereinafter, the "Additions") shall, without further act, no longer be subject to the Municipal Lease and this Sublease Agreement if the Additions can be readily removed from such Item of Equipment without diminishing or impairing the value, utility, remaining useful life, residual value or condition which such Item of Equipment would have had at such time had the alteration, modification, or addition not occurred. The following shall, without further act, become subject to the Municipal Lease and this Sublease Agreement: (i) all Additions which cannot be removed in the manner described in the immediately preceding sentence, (ii) replacement Parts referred to in Section 6.3, (iii) any and all Parts installed on, and Additions and replacements made to, any Item of Equipment which are required for the operation or use of such Item of Equipment by the Interchange Rules of the Association of American Railroads, if applicable, or by the applicable regulations of the Department of Transportation, the Interstate Commerce Commission or any other Governmental Authority, and (iv) Additions intended to enhance the performance or operation of any Item of Equipment; provided that so long as no Municipal Sublease Default or Municipal Sublease Event of Default shall have occurred and be continuing, Sublessee may, at any time during the Municipal Sublease Term, remove any Addition from such Item of Equipment; provided that (i) such Addition is an addition to, and not in replacement of or substitution for, any such Item of Equipment or any Part, (ii) such Addition is not required to be incorporated or installed in or attached or added to such Item of Equipment pursuant to the terms of Section 6.1 or Section 6.3 or the first sentence of this Section 6.4 and (iii) such Addition can be readily removed from such Item of Equipment without diminishing or impairing the value, utility, remaining useful life, residual value or condition which such Item of Equipment would have had at such time had such alteration, modification, or addition not occurred. Upon the removal by Sublessee of any Addition as above provided, such Addition shall, without further act, no longer be subject to the Municipal Lease and this Sublease Agreement and such Addition shall no longer be deemed a "Part" hereunder. Any Addition not removed by Sublessee as above provided prior to the return of such Item of Equipment to Sublessor hereunder shall remain subject to the leasehold interest of Sublessor.

(b) Sublessor shall not bear any liability or cost for any alteration, modification, addition or removal to or of any Item of Equipment or any Part.

Section 6.5. Taxes, Other Governmental Charges and Utility Charges. The parties to this Sublease Agreement contemplated that the Equipment will be used for a governmental or proprietary purpose of Sublessee and, therefore, that the

Equipment will be exempt from all taxes currently assessed and levied with respect to personal property. In the event the use, possession or acquisition of the Equipment is found to be subject to taxation in any form, Sublessee will pay, as Additional Rent, during the Municipal Sublease Term, as the same respectively become due, all taxes, fees, assessments and charges of any kind whatsoever that may at any time be assessed or levied against or imposed upon or with respect to the Equipment (and/or any equipment or other property acquired by Sublessee in substitution for, as a renewal or replacement of, or as a modification, improvement or addition to, the Equipment, as well as all gas, water, steam, electricity, heat, power, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Equipment) by any federal, state or local government or taxing authority. In the event of the levying, assessment or imposition of any such taxes, fees or charges on or with respect to the Equipment, Sublessee shall promptly notify Sublessor of the same and shall provide proof of payment or protest.

Section 6.6. Provisions Regarding Insurance. (a) Sublessee, at no expense to Sublessor, will maintain or cause to be maintained at all times during the Municipal Sublease Term and the storage period referred to in Section 14.1 public liability insurance including passenger legal liability, personal injury liability, contractual liability and property damage coverage. Such insurance shall be in such amounts and with such insurance companies as is consistent with prudent industry practice and, in any event, subject to commercial availability; provided that such insurance companies must have a Best rating of at least "B+" or, if not subject to Best rating, must be of financial strength comparable to that required for a Best "B+" rating. Such amounts of insurance shall not be less than such insurance coverage carried by, and the related deductibles or retentions shall not be greater than deductibles or retentions of, commuter rail systems located in the United States of America of comparable size to that of Sublessee. All such policies of insurance and all policies taken out in substitution or replacement of such policies shall (i) name Sublessor (in its individual and trust capacities) as an additional insured, as its interest may appear, (ii) provide that no cancellation (including for nonpayment of premium) or material change of coverage be effective until at least thirty (30) days after notice thereof has been mailed to Sublessor and any other named insureds (with a copy to the Certificate Insurer) and (iii) provide that no breach of warranty on the part of Sublessee or other action of Sublessee shall impair the rights of Sublessor and any other named insureds under such policies. If during the last five (5) years of the Municipal Sublease Term, insurance is obtained on a claims-made basis, Sublessee shall continue such coverage in force for three (3)

years following the expiration of the Municipal Sublease Term, with the Sublessor remaining as an additional insured.

(b) Sublessee, without expense to Sublessor, will maintain or cause to be maintained at all times during the Municipal Sublease Term and the storage period referred to in Section 14.1 all-risk insurance covering loss or damage to the Equipment and Parts which is of such type, and in such amounts (but in any event not less than the Municipal Sublease Stipulated Loss Value of the Equipment), with such deductibles or retentions, as insurance coverage carried by commuter rail systems located in the United States of America of comparable size to that of Sublessee, and with such insurance companies, as is usually carried by commuter rail systems located in the United States of America of comparable size to that of Sublessee and, in any event, subject to commercial availability; provided that such insurance companies must have a Best rating of at least "B+" or, if not subject to Best rating, must be of financial strength comparable to that required for a Best "B+" rating. All policies carried in accordance with this paragraph during the term of this Sublease Agreement shall (i) name Sublessor as loss payee, as its interest may appear, (ii) provide that no cancellation (including for nonpayment of premium) or material change of coverage be effective until at least thirty (30) days after notice thereof has been mailed to Sublessor and any other loss payees (with a copy to the Certificate Insurer) and (iii) provide that no breach of warranty by Sublessee or other action by Sublessee shall impair the rights of Sublessor.

Section 6.7. Advances. In the event Sublessee shall fail to maintain the full insurance coverage required by this Sublease Agreement or shall fail to keep the Equipment in good repair and operating condition, Sublessor or its nominee may (but shall be under no obligation to) purchase the required policies of insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced therefor by Sublessor or its nominee shall become Additional Rent for the Municipal Sublease Term.

Section 6.8. Certification, Etc. Sublessee will during the Municipal Sublease Term and the storage period referred to in Section 14.1 furnish to Sublessor (with a copy to the Certificate Insurer) evidence satisfactory to Sublessor of renewal or replacement of the insurance policies required to be maintained pursuant to this Article VI prior to the cancellation, lapse or expiration of such insurance policies and, on the renewal dates of the insurance policies carried by Sublessee pursuant to this Article VI, a certificate of Sublessee's insurance broker describing in reasonable detail the insurance carried by Sublessee, and certifying the

compliance with this Article VI of such insurance, the primary and excess insurance carriers and their respective percentage interests.

Section 6.9. Additional Insurance. Nothing contained herein shall prevent Sublessee or Sublessor from carrying at its own expense additional insurance in excess of or in addition to that required hereunder; provided that no such insurance may be obtained which would limit or otherwise adversely affect the coverage or payment of any insurance required to be maintained pursuant to this Article VI or prevent the payment of a policy premium which, if not paid by Sublessee, would invalidate such required coverage.

ARTICLE VII

EVENT OF LOSS

Section 7.1. Notice of Damage or Loss; Election. If an Event of Loss occurs with respect to an Item of Equipment, Sublessee shall give Sublessor and the Certificate Insurer prompt written notice thereof and shall, within thirty (30) days after the occurrence of such Event of Loss, elect by written notice to Sublessor and to the Certificate Insurer to proceed in accordance with either Section 7.2 or 7.3 (it being understood that if Sublessee fails to give or cause to be given such notice of election within thirty (30) days after the occurrence of such Event of Loss, Sublessee shall be deemed to have elected to proceed in accordance with Section 7.2).

Section 7.2. Payment of Municipal Sublease Stipulated Loss Value. If an Event of Loss with respect to an Item of Equipment shall have occurred and Sublessee shall have elected or been deemed to have elected to proceed in accordance with this Section 7.2, Sublessee shall, at least thirty (30) days prior to the first Rental Payment Due Date occurring at least sixty (60) days after the occurrence of such Event of Loss, pay to Sublessor for deposit into the Principal Account of the Certificate Fund established under the Equipment Trust Agreement an amount equal to the Municipal Sublease Stipulated Loss Value for such Item of Equipment determined as of such Rental Payment Due Date. Upon the payment of such amount in accordance with the preceding sentence and upon payment by Sublessor on such Rental Payment Due Date of the Municipal Sublease Stipulated Loss Value, including any amount payable under Section 4.6, for such Item of Equipment in respect of such Event of Loss pursuant to Section 6.1(c) of the Equipment Trust Agreement, provided that no Municipal Sublease Default or Municipal Sublease Event of Default shall have occurred and be continuing, this Sublease Agreement and the Municipal Lease shall terminate with respect to such Item of Equipment, and the

obligations of Sublessee hereunder with respect to such Item of Equipment shall cease. Promptly following the two payments described in the immediately preceding sentence following an Event of Loss, Schedule A attached hereto shall be amended in order to give effect to the redemption with respect to such Event of Loss to reflect that the Rental Payments due on each Rental Payment Due Date occurring thereafter shall be in an amount equal to the Principal Component and Interest Component due on all Certificates remaining Outstanding on the Interest Payment Date corresponding to such Rental Payment Due Date and Schedule B attached hereto shall be amended if and to the extent necessary in order to give effect to the redemption with respect to such Event of Loss to provide that the Municipal Sublease Stipulated Loss Value percentages for each Rental Payment Due Date occurring thereafter shall be that percentage of the aggregate Sublessor's Cost of all Items of Equipment then subject to the Municipal Sublease which would pay the unpaid Principal Component of all Outstanding Certificates on such Rental Payment Due Date together with the Interest Component thereof accrued to such Rental Payment Due Date. Such amendments to Schedule A and Schedule B shall be forwarded promptly to the Certificate Insurer.

Section 7.3. Substitution. (a) If an Event of Loss with respect to an Item of Equipment shall have occurred and Sublessee shall have elected to proceed in accordance with this Section 7.3, Sublessee shall, within sixty (60) days after the date of such Event of Loss, convey to Sublessor a leasehold interest in substitute mass transit commuting vehicular equipment substantially similar to the Item of Equipment which suffered the Event of Loss, and having a Fair Market Sales Value, residual value and estimated useful life at least equal to the Fair Market Sales Value, residual value and estimated useful life of, and being in as good operating condition as, such Item of Equipment immediately prior to the occurrence of such Event of Loss, assuming that such Item of Equipment was at that time in the condition and repair required to be maintained hereunder. The "Fair Market Sales Value" of any Item of Equipment as of any date shall be the cash price that would be obtained in an arm's-length transaction between an informed and willing buyer (including without limitation a lessee currently in possession but not including a used equipment dealer or buyer of scrap) under no compulsion to buy, and an informed and willing seller under no compulsion to sell, but shall not include the cost of removal or delivery of the Equipment. In determining Fair Market Sales Value as provided herein, it shall be assumed that Sublessee has complied with all of the terms, provisions and conditions of this Sublease Agreement, and that the applicable Item of Equipment is in the condition and configuration required upon its return to Sublessor as provided herein. Upon full compliance by Sublessee with the terms of this Section 7.3, the Item of Equipment replaced shall

cease to be "Equipment" hereunder and under the Municipal Lease, and any equipment substituted for such Item of Equipment pursuant to this Section 7.3 shall be an "Item of Equipment" for all purposes of the Municipal Lease, this Sublease Agreement and the Equipment Trust Agreement and shall be subject to the terms and provisions hereof and thereof.

(b) The right of Sublessee to substitute Equipment pursuant to this Section 7.3 shall be subject to the fulfillment of each of the following conditions at or before the time of any such substitution;

(i) Sublessee shall have delivered to Sublessor an Officer's Certificate (with a copy to the Certificate Insurer) stating (A) the model numbers of the item or items, as the case may be, of such substitute equipment (the "Substitute Equipment") and the name of the manufacturer thereof; (B) that the Substitute Equipment is in good operating condition and repair, is of a type substantially similar to the Item of Equipment replaced and meets the applicable Fair Market Sales Value, residual value, estimated useful life and other requirements therefor of Section 7.3(a); (C) that there exists no Municipal Sublease Default or Municipal Sublease Event of Default; (D) that upon substitution pursuant to the terms of this Sublease Agreement MBTA will have valid and legal title to such Substitute Equipment, free and clear of all Liens other than Permitted Liens (but not Lessor Liens) and Sublessor will have a valid and legal leasehold interest therein under the Municipal Lease; and (E) that all necessary Governmental Approvals are in full force and effect and constitute sufficient authorization for the contemplated substitution;

(ii) A full warranty bill of sale with respect to the Substitute Equipment naming MBTA as owner of the Substitute Equipment and otherwise satisfactory to Sublessor shall have been delivered to Sublessor (with a copy to the Certificate Insurer);

(iii) A supplement to the Municipal Lease and this Sublease Agreement shall have been executed and delivered (with a copy to the Certificate Insurer);

(iv) A certificate of an independent appraiser satisfactory to Sublessor shall have been delivered to Sublessor (with a copy to the Certificate Insurer), which certificate shall state (A) the Fair Market Sales Value, residual value and estimated useful life of the Item of Equipment replaced immediately preceding the occurrence of the Event of Loss, assuming that such Item of Equipment at such time had been maintained in the condition and repair

required by this Sublease Agreement and (B) the Fair Market Sales Value, residual value and estimated useful life of the Substitute Equipment;

(v) A written report of a recognized insurance broker confirming the maintenance of insurance with respect to the Substitute Equipment complying with Section 6.6 shall have been delivered to Sublessor (with a copy to the Certificate Insurer); and

(vi) An assignment to Sublessor for the duration of the Municipal Sublease Term of all assignable rights, warranties and representations of the Manufacturer with respect to the Substitute Equipment, which assignment shall be acceptable to Sublessor, shall have been delivered to Sublessor (with a copy to the Certificate Insurer).

ARTICLE VIII

APPLICATION OF PROCEEDS

Section 8.1. Application of Insurance Proceeds in an Event of Loss. Subject to the provisions of Section 8.4, it is agreed that all insurance payments received as the result of the occurrence of an Event of Loss with respect to an Item of Equipment will be applied as follows:

(a) Unless such Items of Equipment are replaced pursuant to Section 7.3, so much of such payments as shall not exceed the amounts due under Section 7.2 shall be applied in reduction of Sublessee's obligation to pay such amounts, if not already paid by Sublessee, or, if already paid by Sublessee, shall be applied to reimburse Sublessee for its payments of such amounts, and the balance, if any, of such payments remaining thereafter shall be paid over to or retained by Sublessee or applied as Sublessee may direct.

(b) If such Items of Equipment are replaced pursuant to Section 7.3, such payments shall be paid over to or retained by Sublessee or applied as Sublessee may direct, provided that Sublessee shall have fully performed or will fully perform the terms of Section 7.3.

Section 8.2. Application of Insurance Proceeds in a Casualty not Constituting an Event of Loss. The insurance proceeds attributable to any property damage to any Item of Equipment not constituting an Event of Loss will be applied in payment of, or to reimburse Sublessee for, repairs or the cost of replacement property in accordance with the terms of Article VI, and, subject to Section 8.4, any balance remaining after compliance with Article VI with respect to such loss shall be paid over to or retained by Sublessee or applied as Sublessee may direct.

Section 8.3. Application of Payments from Governmental Authorities. Any payments other than insurance proceeds received at any time by Sublessor or Sublessee from any Governmental Authority or other Person with respect to an Event of Loss resulting from the condemnation, confiscation, theft, disappearance or seizure of, or requisition of title to or use of any Item of Equipment, shall be applied, subject to Section 8.4, as follows:

(a) Unless such Items of Equipment are replaced in accordance with Section 7.3, so much of such payments as shall not exceed the amounts due under Section 7.2 shall be applied in reduction of Sublessee's obligation to pay such amounts, if not already paid by Sublessee, or, if already paid by Sublessee, shall be applied to reimburse Sublessee for its payment of such amounts, and the balance, if any, of such payment remaining thereafter shall be paid over to or retained by Sublessee or applied as Sublessee may direct.

(b) If such Items of Equipment have been replaced in accordance with Section 7.3, such payments shall be paid over to or retained by Sublessee or applied as Sublessee may direct.

Section 8.4. Application During Existence of Municipal Sublease Default or Municipal Sublease Event of Default. Notwithstanding any provision contained herein to the contrary, any amount referred to in Sections 8.1, 8.2 or 8.3 as payable to Sublessee shall not be paid to Sublessee or, if it has been previously paid to Sublessee, shall be paid promptly by Sublessee to Sublessor, if at the time that such payment was made or was to have been made a Municipal Sublease Default or Municipal Sublease Event of Default shall have occurred and be continuing. In such event, all such amounts shall be paid to Sublessor hereunder or, at Sublessor's option, applied by Sublessor toward payment of any of such obligations of Sublessee at the time due. At such time as there shall not be continuing any Municipal Sublease Default or Municipal Sublease Event of Default, all such amounts held by Sublessor in excess of the amount, if any, which Sublessor shall have elected to apply as above provided shall be paid to Sublessee or as Sublessee may direct. Notwithstanding any provision contained herein, any action to be taken pursuant to this Section shall be subject to the direction of the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy).

ARTICLE IX

LIENS

Sublessee will not directly or indirectly create, incur, assume or suffer to exist any Lien other than Permitted Liens on or with respect to any Item of Equipment or any Part, title

thereto or any interest therein or in this Sublease Agreement or the Rental Payments or Additional Rent or any other payments provided for hereunder. Sublessee at no expense to Sublessor will promptly take such action as may be necessary duly to discharge any Lien not excepted above if the same shall arise at any time.

ARTICLE X

ASSIGNMENT, RESUBLEASING, INDEMNIFICATION AND SELLING

Section 10.1. Assignment and Resubleasing. This Sublease Agreement may be assigned and any Item of Equipment may be resubleased, as a whole or in part, by Sublessee without the necessity of obtaining the consent of Sublessor, subject, however, to each of the following conditions:

(a) Sublessee shall continue to be primarily liable for payment of the Rental Payments and any Additional Rent and for performance and observance of the other agreements on its part herein provided to be performed and observed by it to the same extent as though no assignment had been made.

(b) The assignee or resublessee shall assume the obligations of Sublessee hereunder to the extent of the interest assigned or resubleased.

(c) Sublessee shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to Sublessor and to the Certificate Insurer a true and complete copy of each assignment, assumption of obligation or resublease, as the case may be.

(d) Such assignment, assumption of obligation or resublease, as the case may be, shall not adversely affect the exclusion from gross income for federal income tax purpose of the Interest and Sublessee shall furnish or cause to be furnished to Sublessor an opinion of Special Counsel to that effect.

(e) Sublessee shall have certified to the ETA Trustee that all of the preceding conditions contained in this Section 10.1 have or will be satisfied as set forth herein.

Section 10.2. Release and Indemnification Covenants. To the extent permitted by law, Sublessee shall indemnify, protect, hold harmless, save and keep harmless Sublessor and each Owner and their respective successors and assigns, from and against any and all Taxes (except for Taxes owed by Sublessor as a result of compensation earned by Sublessor for

its services in connection with this Sublease Agreement and the Municipal Transaction), liabilities, obligations, losses, claims and damages whatsoever, regardless of the cause thereof, and expenses in connection therewith, including, without limitation, reasonable attorneys' fees and expenses, penalties and interest arising out of or as the result of: the entering into of this Sublease Agreement, the Municipal Lease and the Equipment Trust Agreement; the ownership of any Item of Equipment; the ordering, acquisition, use, operation, condition, purchase, delivery, acceptance, rejection, storage, sale, disposition or return of any Item of Equipment; claims based on breach of any purchase agreement for the Equipment; claims based upon strict liability in tort relating to the Equipment; and any claims based upon patent, trademark or copyright infringement. The indemnification arising under this Section shall continue in full force and effect notwithstanding the full payment of all obligations under this Sublease Agreement or other termination or expiration of the Municipal Sublease Term.

Section 10.3. Indemnification of Certificate Insurer. Sublessee hereby agrees to protect, indemnify, pay and save the Certificate Insurer harmless (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy) from and against any and all claims, demands, liabilities, damages, losses, costs, charges and expenses (including reasonable attorneys' fees) which it may, other than as a result of its gross negligence or willful misconduct, incur or be subject to as a consequence, direct or indirect, of (i) the issuance of the Certificate Insurance Policy, (ii) any breach by any party to the Municipal Transaction of any representation or warranty, covenant, term or condition in, or the occurrence of any default under, the Municipal Documents, including all reasonable fees or expenses resulting from the settlement or defense of any claims or liabilities arising as a result of any such breach or default, (iii) the holding or owning by the Certificate Insurer or its nominee of any Certificate, (iv) involvement in any legal suit, investigation, proceeding, inquiry or action as to which the Certificate Insurer is involved as a consequence, direct or indirect, of its issuance of the Certificate Insurance Policy, its holding or owning of any Certificate, the holding or owning of any Certificate by its nominee, or any other event or transaction contemplated by any of the foregoing. The provisions of this Section shall survive termination of this Sublease Agreement.

Section 10.4. Assignment by Sublessor. Sublessor will not assign this Sublease Agreement nor sublease, sell, assign, transfer or convey the Equipment or its interest therein, as a whole or in part other than in connection with the issuance of the Certificates.

ARTICLE XI

EVENTS OF DEFAULT AND REMEDIES

Section 11.1. Events of Default and Default Defined. A "Default" hereunder is any event which, with notice or the passage of time or both, would become an "Event of Default." The following shall be "Events of Default" under this Sublease Agreement and the term "Event of Default" shall mean, whenever used in this Sublease Agreement, any one or more of the following events:

(a) Failure by Sublessee to pay, for a reason other than an Event of Nonappropriation, the Rental Payments and any Additional Rent required to be paid pursuant to Sections 4.2 and 4.5 at the time specified therein; or

(b) Failure by Sublessee to observe or perform any material covenant, condition or agreement on its part to be observed or performed, other than as referred to in Section 11.1(a), for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, shall have been given to Sublessee by Sublessor or by the Certificate Insurer, unless Sublessor and the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy) shall agree in writing to an extension of such time prior to its expiration; provided, however, that if the failure stated in the notice cannot be corrected within the applicable period, Sublessor and the Certificate Insurer shall be deemed to have agreed to an extension of such time if corrective action is instituted by Sublessee within the applicable period and is being diligently pursued; or

(c) Proceedings under any bankruptcy, insolvency, reorganization or similar law shall be instituted by or against Sublessee, or a receiver, custodian or similar officer shall be appointed for Sublessee or any of its property, and such proceedings or appointments shall be consented to by Sublessee or shall not be vacated or fully stayed within sixty (60) days after the institution or occurrence thereof; or

(d) Any warranty, representation or statement made by Sublessee in any of the Municipal Documents is incorrect or misleading in any material respect on the date made; or

(e) Insurance on the Equipment shall not be carried or maintained in compliance with Section 6.6 or such insurance is cancelled (and not previously or contemporaneously replaced) for any reason whatsoever, or any Item of Equipment shall be operated or located in any area or on any route or in any

manner excluded from coverage by any insurance required by Section 6.6.

The foregoing provisions of this Section are subject to the following limitation: If by reason of force majeure, Sublessee is unable in whole or in part to carry out its agreements herein contained, other than the obligations on the part of Sublessee contained in Section 4.2, Sublessee shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the Commonwealth or any of their departments, agencies or officials (other than orders and restraints of MBTA, or of the Commonwealth related to its obligations under the Contract for Financial Assistance or the Contract Assistance Provisions), or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of Sublessee. Sublessee agrees, however, to remedy with all reasonable dispatch the cause or causes preventing it from carrying out its agreements; provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of Sublessee, and Sublessee shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of Sublessee unfavorable to it.

Section 11.2. Remedies on Municipal Sublease Event of Default or Event of Nonappropriation. (a) Whenever any Municipal Sublease Event of Default shall have occurred and be subsisting, Sublessor, with the consent of the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy), may or, at the direction of the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy), must take action at law or in equity to collect any payments then due or thereafter to become due under this Sublease Agreement, or to enforce performance and observance of any obligation, agreement or covenant of Sublessee under this Sublease Agreement, including, but not limited to, the following: (i) by written notice to Sublessee, declare an amount equal to all amounts then due under the Sublease Agreement and all remaining Rental Payments to be immediately due and payable and such amounts shall become due and payable, provided, however, that the fulfillment of such obligation imposed on Sublessee shall be subject to the

condition that an Appropriation shall have occurred with respect thereto and shall be limited to the amount of such Appropriation; and (ii) by written notice to Sublessee, terminate this Sublease Agreement and require Sublessee to return promptly the Equipment to Sublessor in accordance with Article XIV hereof or the Sublessor, at its option, may take possession of and remove the Equipment. In addition, pursuant to the security interest granted in Article XII of the Equipment Trust Agreement, Sublessor, with the consent of the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy), may or, at the direction of the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy), must exercise powers and remedies available to it as a secured party with respect to the Equipment, including rights under the Uniform Commercial Code. Sublessor may take possession of and sell, lease or otherwise dispose of and deliver the Equipment, for cash, upon credit or otherwise, at such prices and upon such terms as Sublessor deems advisable in its sole and absolute discretion. Sublessor may, if it so desires, hire a Person or Persons to assist it in connection with the disposition of the Equipment. Any amounts collected by Sublessor as a result of action taken pursuant to this Section 11.2(a) shall be deposited into the appropriate Account of the Certificate Fund and shall be applied in accordance with Section 7.1(b) of the Equipment Trust Agreement.

(b) Upon the occurrence of an Event of Nonappropriation, Sublessor, with the consent of the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy), may or, at the direction of the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy), must declare the Principal Components of the Certificates to be immediately due and payable in accordance with the terms contained herein and in the Equipment Trust Agreement. In addition, Sublessor, with the consent of the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy), may or, at the direction of the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy), must exercise its power of sale granted in the Equipment Trust Agreement and sell, lease or otherwise dispose of the Equipment (with the assistance, if Sublessor so desires, of a Person or Persons hired by Sublessor) and, in the event of such sale, lease or other disposition, Sublessor shall deposit the proceeds of such sale, lease or other disposition into the

appropriate Account of the Certificate Fund and shall apply the proceeds of such sale, lease or other disposition in accordance with Section 7.1(b) of the Equipment Trust Agreement. In connection with any such sale, lease or other disposition permitted by this Subsection, Sublessor shall have the rights, and Sublessee shall be subject to the provisions, set forth in Article XI of the Equipment Trust Agreement.

(c) Notwithstanding any provision to the contrary contained in this Section 11.2, the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy) shall have the power, upon furnishing indemnification satisfactory to the ETA Trustee, to direct Sublessor to take any action permitted under this Section 11.2. In addition, Sublessor shall be required to obtain the consent of the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy) prior to Sublessor taking any action under this Section 11.2.

Section 11.3. No Remedy Exclusive. The remedies herein conferred upon and reserved to Sublessor are not intended to be exclusive of any other available remedy or remedies which Sublessor may have at law or in equity, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Sublease Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any Municipal Sublease Default or Municipal Sublease Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Sublessor to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article. The Owners and the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy), subject to the provisions of the Equipment Trust Agreement, shall be entitled to the benefit of all covenants and agreements herein contained.

Section 11.4. Agreement to Pay Attorneys' Fees and Expenses. In the event Sublessee should default under any of the provisions of this Sublease Agreement and Sublessor should employ attorneys or incur other reasonable expenses for the collection of Rental Payments or the payment of any amounts to be paid as Additional Rent or the enforcement of performance or observance of any obligation or agreement on the part of Sublessee herein contained, Sublessee, on demand therefor, shall pay to Sublessor, as further Additional Rent, the

reasonable fees of such attorneys and such other expenses so incurred by Sublessor.

Section 11.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Sublease Agreement should be breached by any party and thereafter waived by the other parties, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 11.6. Termination of Sublease Agreement. Unless earlier terminated in accordance with Section 11.2, upon payment in full of the Certificates (or provision for payment thereof having been made in accordance with Section 13.9 of the Equipment Trust Agreement) and the satisfaction of all other obligations of Sublessee hereunder, this Sublease Agreement shall terminate, except for those certain provisions contained herein which specifically state that they shall survive the termination of this Sublease Agreement, and Sublessee shall be relieved of any further liabilities hereunder, except for the liabilities, if any, of Sublessee under such surviving provisions. Notwithstanding anything to the contrary contained herein, in the Municipal Lease or in the Equipment Trust Agreement, any and all remedies available to Sublessor, Sublessee or the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy) upon the occurrence of a Municipal Sublease Event of Default or Event of Nonappropriation shall survive the termination of this Sublease Agreement.

Section 11.7. Limitation on Obligations. THE OBLIGATION OF SUBLESSEE UNDER THIS SUBLEASE AGREEMENT TO MAKE ANY RENTAL PAYMENTS OR ANY OTHER PAYMENTS TO OR FOR THE BENEFIT OF THE OWNERS OR BENEFICIAL OWNERS OF THE CERTIFICATES UPON THE OCCURRENCE OF ANY MUNICIPAL SUBLEASE EVENT OF DEFAULT IS SUBJECT TO AND LIMITED BY THE AMOUNT OF ANNUAL APPROPRIATIONS AND DOES NOT CONSTITUTE A GENERAL OBLIGATION OF SUBLESSEE.

ARTICLE XII

PREPAYMENT OF RENTAL PAYMENTS

Section 12.1. Prepayment of Rental Payments. Sublessee shall have and is hereby granted the option to prepay all or any portion of Rental Payments on August 1, 2000, and thereafter all of the Rental Payments on any date and a portion of the Rental Payments on any Rental Payment Due Date, together with any applicable prepayment premium and accrued Interest Component, if any, as set forth in Section 6.1(b) of the Equipment Trust Agreement.

Section 12.2. Amount and Notice of Prepayment. In order to make a prepayment of Rental Payments as permitted by Section 12.1, Sublessee shall give Sublessor written notice (a) by June 2, 2000 of its intention to exercise its option to prepay on August 1, 2000 or (b) not less than thirty-five (35) nor more than sixty (60) days prior to any Rental Payment Due Date thereafter on which Sublessee intends to exercise its option to prepay. Such notice shall set forth the amount of Rental Payments Sublessee intends to prepay (the "Prepayment Amount") and shall direct Sublessor to call for redemption Certificates in authorized denominations in the greatest aggregate principal amount for which the Prepayment Amount will be sufficient to redeem in accordance with the terms of the Equipment Trust Agreement. On the date of giving any such notice of prepayment, Sublessee shall pay to Sublessor for deposit into the Certificate Fund the Prepayment Amount, together with any applicable prepayment premium as set forth in Section 6.1(b) of the Equipment Trust Agreement, plus any accrued Interest Component and all other accrued and unpaid amounts due and owing by Sublessee to Sublessor hereunder and under the Equipment Trust Agreement as of the date of such prepayment. Promptly following any prepayment of Rental Payments (and not merely the giving of notice and the deposit of moneys into the Certificate Fund), Schedule A attached hereto shall be amended to reflect that the Rental Payments due on each Rental Payment Due Date occurring thereafter shall be in an amount equal to the Principal Components (including scheduled mandatory redemptions) and Interest Components due on all Certificates remaining Outstanding on the Interest Payment Date corresponding to such Rental Payment Due Date and Schedule B attached hereto shall be amended to provide that the Municipal Sublease Stipulated Loss Value percentages for each Rental Payment Due Date occurring thereafter shall be that percentage of the aggregate Sublessor's Cost of all Items of Equipment then subject to the Municipal Sublease, after any release of Equipment pursuant to Section 12.3, which would pay the unpaid Principal Component (including scheduled mandatory redemptions) of all Outstanding Certificates on such Rental Payment Due Date together with the Interest Component of all Outstanding Certificates accrued to such Rental Payment Due Date. Such amendments to Schedule A and Schedule B shall be forwarded promptly to the Certificate Insurer.

Section 12.3 Release of Equipment. Upon prepayment of Rental Payments pursuant to Section 12.1, and written notice by Sublessee to Sublessor of its intention to exercise its rights granted by this Section 12.3, Sublessee will calculate the appropriate number of Items of Equipment to be released from any claim by Sublessor under the remedies granted by Section 11.2 and such calculation will be verified by Sublessor. In order to determine the appropriate number of Items of Equipment eligible for release upon prepayment, Sublessor will rely on

the Amortized Value Schedules attached hereto as Schedule D. The Items of Equipment released from any Sublessor claims will be determined by reducing the prepayment made by Sublessee by any amounts then due to Sublessor, including any applicable prepayment premium and any amounts to be paid as Additional Rent, and dividing by the applicable amortized value appearing on the appropriate Amortized Value Schedule for the particular model of rail coach as of the date of prepayment. The number of Items of Equipment released will be that number derived from this calculation ignoring any amount which represents less than the full amortized value appearing on the appropriate Amortized Value Schedule for the particular model of rail coach as of the prepayment date. If Sublessee desires to release Items of Equipment of both models of rail coach following a prepayment, Sublessee may designate any combination of the two models of rail coaches listed in Schedule D that meet the calculation described above. Once the number and model of rail coaches have been determined, the Items of Equipment released from any claims of Sublessor will be chosen at random by Sublessor from the serial numbers of all like rail coaches leased under this Sublease Agreement.

ARTICLE XIII

[Intentionally Omitted]

ARTICLE XIV

RETURN

Section 14.1. Obligation to Return. Upon receipt of notice from Sublessor or the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy) in accordance with clause (ii) of Section 11.2(a), Sublessee shall, at its own risk and expense, return the Equipment to Sublessor at storage facilities of Sublessee, which storage facilities shall be designated by Sublessee and reasonably satisfactory to Sublessor. The risk and expense of the storage of the Equipment at such storage facilities shall, for a period of ninety (90) days following receipt by Sublessee of the notice described above, be borne by Sublessee.

Section 14.2. Logs and Other Records. Upon return of the Equipment as provided herein, Sublessee shall deliver to Sublessor all logs, manuals, certificates, warranties and other data, and all inspection, modification and overhaul records which have been maintained with respect to such Equipment.

Section 14.3. Condition Upon Return. Upon return pursuant to the terms hereof, the Equipment (i) shall be in good

operating condition and commercially usable by other commuter rail operators, ordinary wear and tear excepted, (ii) shall be in the configuration and condition required by Article VI, (iii) shall meet the applicable standards then in effect under the Interchange Rules of the Association of American Railroads and the applicable rules of any Governmental Authority, and (iv) shall be free and clear of all Liens other than Lessor Liens.

Section 14.4. Repairs. Subject to and without diminution of Sublessee's obligations under Section 14.1 or any other provision of this Sublease Agreement, upon termination or expiration of this Sublease Agreement and prior to the later of the return of such stored Item of Equipment or the expiration pursuant to Section 14.1 of any period during which such Item of Equipment is stored, Sublessee shall, upon Sublessor's or (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy) the Certificate Insurer's written request, perform such maintenance or repairs to the Equipment as Sublessor or the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy) may reasonably request, to the extent reasonably possible without disruption to Sublessee's normal operations; provided, however, that the foregoing shall not be construed to extend Sublessee's storage obligation beyond the period referred to in Section 14.1. Sublessor shall reimburse Sublessee for work performed under this Section 14.4 at reasonable rates.

ARTICLE XV

MISCELLANEOUS

Section 15.1. Performance of Sublessor. Sublessor shall not be obligated to take any action or execute any instrument pursuant to any provision hereof until it shall have been requested to do so by Sublessee or shall have received the instrument to be executed and at Sublessor's option shall have received from Sublessee assurance satisfactory to Sublessor that Sublessor shall be reimbursed for its reasonable expenses (other than expenses that may be borne by Sublessor under Section 14.1) incurred or to be incurred in connection with taking such action or executing such instrument and, for purposes of this Sublease Agreement, such expenses shall be Additional Rent.

Section 15.2. Notices. All notices, offers, instructions, acceptances, approvals, waivers, requests, demands and other communications required or permitted hereunder to be given to or made upon any party hereto or under any instrument,

certificate or other document delivered in connection with the transactions described herein shall be considered as properly given (a) if delivered in person, (b) if sent by an overnight delivery service which provides signed acknowledgments of receipt, (c) if mailed by first class United States mail, postage prepaid, registered or certified with return receipt requested or (d) if sent by telegram (with messenger delivery specified) or by telecopier and, in each such case, confirmed by telephone by the sender. Communications so mailed shall be effective upon the expiration of five (5) Business Days after deposit. Communications given in any other manner shall be effective upon receipt by the addressee; provided, however, that if any communication is tendered to an addressee and the delivery thereof is refused by such addressee, such communication shall be effective upon the tender. For the purposes of communications, the addresses of the parties shall be as set forth below; provided, however, that any party shall have the right to change its address for communication hereunder to any other location by giving thirty (30) days notice to the other party in the manner set forth hereinabove. The initial addresses of the parties hereto are as follows:

If to Sublessee:

Massachusetts Bay Transportation Authority
 Transportation Building
 Ten Park Plaza
 Boston, Massachusetts 02116
 Attn: Treasurer
 Telecopier: (617) 722-5368

If to Sublessor:

Shawmut Bank, N.A.
 One Federal Street
 Boston, Massachusetts 02211
 Attn: Corporate Trust Administration
 Telecopier: (617) 292-4289

If to the Certificate Insurer:

Financial Security Assurance Inc.
 350 Park Avenue
 New York, New York 10022-6022
 Attn: Managing Director-Surveillance
 Telecopy: (212) 688-3101

In each case with a copy to:

Goodwin, Procter & Hoar
 Exchange Place
 Boston, Massachusetts 02109
 Attn: F. Beirne Lovely, Jr., Esq.
 Telecopier: (617) 523-1231

Section 15.3. Binding Effect. This Sublease Agreement shall inure to the benefit of Sublessor, Sublessee, the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy) and their respective successors and assigns, and shall be binding upon Sublessor, Sublessee and their respective successors and assigns, subject, however, to the limitations contained in Sections 10.1 and 10.4.

Section 15.4. Severability. In the event any provision of this Sublease Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 15.5. Amendments, Changes and Modifications. This Sublease Agreement may not be amended, changed, modified, altered or terminated except in accordance with the Equipment Trust Agreement.

Section 15.6. Execution in Counterparts. This Sublease Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 15.7. Applicable Law. This Sublease Agreement shall be deemed to have been executed under seal, and shall be governed by and construed in accordance with the laws of The Commonwealth of Massachusetts.

Section 15.8. Captions. The captions or headings in this Sublease Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Sublease Agreement.

Section 15.9. Continuing Obligation. If Sublessee should fail to make any of the payments required in this Sublease Agreement, the item or installment so in default shall continue as an obligation of Sublessee until the amount in default shall have been fully paid.

Section 15.10 The Certificate Insurer. Whenever the Certificate Insurer is given powers under this Sublease Agreement or under any other Municipal Document, such powers shall be exercisable only so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy.

IN WITNESS WHEREOF, Sublessor and Sublessee have caused this Sublease Agreement to be executed in their respective corporate names and their respective corporate seals to be hereunto affixed and attested by their duly authorized officers, all as of the date first above written.

SHAWMUT BANK, N.A., not in
its individual capacity, but
solely as Trustee

Attest:

By: _____
Name:
Title:

MASSACHUSETTS BAY
TRANSPORTATION AUTHORITY

Attest:

By: _____
Name:
Title:

Approved as to form
for Massachusetts Bay
Transportation Authority

By: _____
Name:
Title:

On this ____ day of August, 1990 before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of Shawmut Bank, N.A., that the seal affixed to the foregoing instrument is the corporate seal of said bank, that said instrument was signed and sealed on behalf of said bank by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said bank.

My Commission expires _____

Commonwealth of Massachusetts)
County of Suffolk) ss:

On this ____ day of August, 1990, before me personally appeared _____, to me personally known, who being by me duly sworn, says that he is the _____ of Massachusetts Bay Transportation Authority, that the seal affixed to the foregoing instrument is the corporate seal of said authority, that said instrument was signed and sealed on behalf of said authority by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said authority.

My Commission expires

EXHIBIT F
DESCRIPTION OF THE EQUIPMENT

[EQUIPMENT TRUST AGREEMENT]

EXHIBIT F - DESCRIPTION OF THE EQUIPMENT

DESCRIPTION OF EQUIPMENT

The Equipment which is the subject of the Lease Agreement consists of ninety-seven (97) commuter rail passenger coaches manufactured by Bombardier, Inc., and designed for push-pull operation in a train consisting of up to eleven cars. The cars are of two types: control trailer cars which are equipped with an enginemans's control compartment and blind trailer cars which are not equipped with controls. The control trailer car configuration permits control of the locomotive from the enginemans's control compartment which converts into a normal vestibule area when the locomotive is leading. Although the control trailer car will normally be located at the end of the train farthest from the locomotive, a control trailer can be placed in any position throughout the train, in which case it will function as a blind trailer car. Both the control trailer car and the blind trailer car have a total seating capacity of 122 passengers with a seating arrangement comprising 22 triple seats, 24 double seats, 1 bulkhead double seat, 1 double folding seat without wheelchair tiedown device, and 2 double folding seats with wheelchair tiedown device. The cars will be used by the MBTA in connection with its commuter rail service.

Each coach is more particularly described below:

	LESSOR'S <u>IDENTIFICATION NUMBER</u>	MANUFACTURER'S <u>IDENTIFICATION NUMBER</u>
1.	600	399
2.	601	401
3.	602	403
4.	603	405
5.	604	407
6.	605	409
7.	606	411
8.	607	413
9.	608	415
10.	609	417
11.	610	419
12.	611	421
13.	612	423
14.	613	425
15.	614	427
16.	615	429
17.	616	431
18.	617	433
19.	618	435
20.	619	437

[EQUIPMENT TRUST AGREEMENT]

	LESSOR'S <u>IDENTIFICATION NUMBER</u>	MANUFACTURER'S <u>IDENTIFICATION NUMBER</u>
21.	620	439
22.	621	441
23.	622	443
24.	623	445
25.	624	447
26.	625	449
27.	626	451
28.	627	453
29.	628	505
30.	629	507
31.	630	509
32.	631	511
33.	632	513
34.	633	515
35.	634	517
36.	635	519
37.	636	521
38.	637	523
39.	638	525
40.	639	527
41.	640	529
42.	641	531
43.	642	533
44.	643	535
45.	644	537
46.	645	539
47.	646	541
48.	647	543
49.	1600	398
50.	1601	400
51.	1602	402
52.	1603	404
53.	1604	406
54.	1605	408
55.	1606	410
56.	1607	412
57.	1608	414
58.	1609	416
59.	1610	418
60.	1611	420
61.	1612	422
62.	1613	424
63.	1614	426
64.	1615	428
65.	1616	430
66.	1617	432
67.	1618	434

[EQUIPMENT TRUST AGREEMENT]

	LESSOR'S <u>IDENTIFICATION NUMBER</u>	MANUFACTURER'S <u>IDENTIFICATION NUMBER</u>
68.	1619	436
69.	1620	438
70.	1621	440
71.	1622	442
72.	1623	444
73.	1624	446
74.	1625	448
75.	1626	450
76.	1627	452
77.	1628	504
78.	1629	506
79.	1630	508
80.	1631	510
81.	1632	512
82.	1633	514
83.	1634	516
84.	1635	518
85.	1636	520
86.	1637	522
87.	1638	524
88.	1639	526
89.	1640	528
90.	1641	530
91.	1642	532
92.	1643	534
93.	1644	536
94.	1645	538
95.	1646	540
96.	1648	544
97.	1650	548

SCHEDULE X

Schedule X is an attachment to, and a part of, each of the following documents:

Municipal Lease Agreement
Municipal Sublease Agreement
Equipment Trust Agreement

SCHEDULE X

The following terms shall have the respective meanings set forth below:

"Accounts" means any accounts or subaccounts of any Fund.

"Act" means Chapter 161A of the General Laws of the Commonwealth, as amended.

"Actual Knowledge" means (a) with respect to MBTA, actual knowledge of its Chairman, General Manager, Treasurer-Controller or Director of Railroad Operations and (b) with respect to the ETA Trustee, actual knowledge of an Authorized Officer of the ETA Trustee. "Actual Knowledge" shall be deemed to exist following receipt of written notice of a fact, event, condition or other circumstance by any such Person.

"Additional Rent" means additional fees, expenses, reimbursements and other charges, including reasonable attorneys' fees, required to be paid by MBTA pursuant to the Equipment Trust Agreement, the Municipal Lease or the Municipal Sublease in connection with certain specified services relating to the Municipal Transaction.

"Additional Rent Account" means the account so designated as part of the Certificate Fund established pursuant to Section 4.1 of the Equipment Trust Agreement.

"Additions" has the meaning, with respect to any Item of Equipment, as specified in Section 6.4 of the Municipal Sublease.

"Advance Rental Cost" means \$82,441,896.

"Advisory Board" means the public body composed of representatives of each of the 78 cities and towns constituting the MBTA district as established by Section 7 of the Act.

"Applicable Law" means all applicable laws, treaties, judgments, decrees, injunctions, writs and other orders of any court, governmental agency or authority and rules, regulations, orders, directives, licenses and permits of any Governmental Authority.

"Appropriation" means, with respect to any Fiscal Period, (i) the approval by the Advisory Board, in accordance with Section 5(i) of the Act, of an itemized budget of MBTA in which all Rental Payments becoming due in the Fiscal Period are shown as current expense and (ii) failure of the Advisory Board to determine, as evidenced in its official records of its deliberations with respect to the approval of such budget, that such Rental Payments shall not be included as current expense in MBTA's budget for such Fiscal Period.

"Authorized Officer of MBTA" or "Authorized Officer of the Sublessee" means the Treasurer-Controller of MBTA or such other officer or person designated in writing by MBTA to the ETA Trustee.

"Authorized Officer of the Certificate Insurer" means any executive vice president or managing director of the Certificate Insurer or such other officer or person designated in writing by the Certificate Insurer to MBTA.

"Authorized Officer of the ETA Trustee" means any authorized officer of the ETA Trustee in its principal corporate trust office or any other officer or person designated in writing by the ETA Trustee to MBTA.

"Beneficial Owner" means the Person that is considered to be the beneficial owner of any Certificate pursuant to the arrangements for book entry determination of ownership applicable to DTC.

"Board" means the Board of Directors of MBTA.

"Board Resolution" or "Certified Resolution of MBTA" means a resolution of the Board certified by the Secretary or Assistant Secretary of MBTA to have been duly adopted by the Board and to be in full force and effect on the date of such certification.

"Business Day" means any day other than a Saturday or a Sunday or a day on which commercial banking institutions in the City of Boston, Massachusetts or the City of New York, New York are authorized by law to be closed. Any reference herein, or in the Municipal Documents to which this Schedule X relates, to "days" (unless Business Days are specified) shall mean calendar days.

"Certificate Fund" means the special trust fund of MBTA, created and established under Section 4.1 of the Equipment Trust Agreement and to be held and administered by the ETA Trustee as provided in Section 4.4 of the Equipment Trust Agreement.

"Certificate Insurance Policy" means the municipal bond insurance policy, as may be amended from time to time, issued by the Certificate Insurer guaranteeing the payment of Principal Components and Interest Components with respect to the Certificates.

"Certificate Insurer" means Financial Security Assurance Inc., a New York stock insurance company, or any successor thereto.

"Certificate Register" means the books of the ETA Trustee kept in the principal corporate trust office thereof for the registration, exchange and transfer of Certificates as further described in Section 2.4 of the Equipment Trust Agreement.

"Certificates" or "Certificates of Participation" means the Certificates of Participation prepared and delivered by the ETA Trustee pursuant to the Equipment Trust Agreement.

"Closing Date" means August 30, 1990 or such other date as shall be acceptable to MBTA and the ETA Trustee, which date shall be the date on which the terms of the lease referred to in the Municipal Lease and the Municipal Sublease shall commence.

"Code" means the Internal Revenue Code of 1986, as amended, and with respect to specific sections thereof, such reference shall be deemed to include the proposed (only until the final regulations are published and become effective) and final regulations promulgated under or applicable to such sections and any pronouncement of the Internal Revenue Service applicable to such sections that constitutes an "administrative pronouncement" as that term is described in Treasury Regulations Section 1.6661-3(b)(2).

"Commonwealth" means The Commonwealth of Massachusetts.

"Contract Assistance Provisions" has the meaning specified in Section 5.5 of the Municipal Sublease.

"Contract for Financial Assistance" means the Contract for Financial Assistance, dated as of August 15, 1990, by and between MBTA and the Commonwealth, with respect to the transactions contemplated by the Municipal Documents, as such agreement may from time to time be amended, modified or supplemented in accordance with the applicable provisions thereof.

"Corporate Base Rate" means the rate of interest per annum from time to time specified by SB at its main office as the corporate base rate, it being understood that such rate is a reference rate, and not necessarily the lowest rate, which serves as the basis upon which effective rates of interest are calculated for obligations making reference thereto.

"Cost", in connection with the acquisition by the ETA Trustee of a leasehold interest in the Equipment, means all expenses which are properly chargeable thereto under Generally Accepted Accounting Principles, and which are incidental to any financing under the Equipment Trust Agreement, including, without limiting the generality of the foregoing:

- (a) Advance Rental Cost;
- (b) Legal, accounting and other professional and advisory fees; and
- (c) Printing, engraving and other expenses of financing in connection with the issuance of the Certificates, including fees and expenses of the ETA Trustee but not including underwriters' discounts or placement agents' fees or similar compensation.

Whenever Costs are to be paid under the Equipment Trust Agreement, such payment may be made by way of reimbursement to the ETA Trustee or others who have paid the same.

"Cost of Issuance Account" means the account so designated as part of the Equipment Lease Fund and established pursuant to Section 4.1 of the Equipment Trust Agreement.

"Counsel" means any attorney-at-law or law firm satisfactory to the ETA Trustee; it being agreed that Goodwin, Procter & Hoar is satisfactory to the ETA Trustee.

"Dollars" or "\$" means lawful currency of the United States of America.

"DTC" means the Depository Trust Company, New York, New York, and its successor or any replacement securities depository appointed under the Equipment Trust Agreement.

"DTC Participant" means securities brokers or dealers, banks, trust companies, clearing corporations and various other entities that operate in conjunction with DTC (or any replacement securities depository) to provide securities depository services to the Beneficial Owners, some of which, or their representatives, own DTC.

"Eligible Investments" means and includes any of the following investments to the extent the same are then (a) Investment Grade and (b) legal investments for moneys held under the Equipment Trust Agreement under Applicable Law:

- (a) Government Securities;
- (b) Time Deposits;

(c) Participation units in Massachusetts Municipal Depository Trust, a combined investment fund created pursuant to Section 38A of Chapter 29 of the General Laws of the Commonwealth; and

(d) Any mutual fund the sole assets of which are Government Securities.

"Equipment" means the 97 commuter rail passenger coaches manufactured by the Manufacturer and sold to MBTA, the Manufacturer's identification numbers of which are specified on Schedule C to the Municipal Sublease, together with Parts and any Substitute Equipment.

"Equipment Account" means the account so designated as part of the Equipment Lease Fund and established pursuant to Section 4.1 of the Equipment Trust Agreement.

"Equipment Lease Fund" means the special trust fund of MBTA created and established under Section 4.1 of the Equipment Trust Agreement and to be held and administered by the ETA Trustee as provided in Section 4.5 of the Equipment Trust Agreement.

"Equipment Trust Agreement" means the Equipment Trust Agreement, dated as of August 15, 1990 by and between MBTA and SB, as such agreement may be amended, modified or supplemented from time to time in accordance with the applicable provisions thereof.

"ETA Trustee" or "Trustee" means SB, in its capacity as trustee pursuant to the Equipment Trust Agreement, or any duly appointed successor trustee.

"Event of Loss" means, with respect to any Item of Equipment, any of the following events with respect to such Item: (a) the loss of such Item or of the use thereof due to the destruction of, or damage beyond repair to, such Item which in the good faith and reasonable opinion of MBTA renders such Item permanently unfit for normal use by MBTA for any reason whatsoever, such determination to be made promptly after the occurrence of such event and to be evidenced by an Officer's Certificate of MBTA delivered to the ETA Trustee with a copy to the Certificate Insurer; (b) the loss of the use for 180 or more consecutive days of such Item due to wear or damage which in the good faith and reasonable opinion of MBTA cannot be repaired within a commercially reasonable period of time, such determination to be made promptly after the occurrence of such event and to be evidenced by an Officer's Certificate of MBTA delivered to the ETA Trustee with a copy to the Certificate Insurer; (c) any damage to such Item which results in an insurance settlement with respect to such Item on the basis of a total loss or a constructive or compromised total loss; (d)

the requisition of title to or the loss of title to such Item; (e) the confiscation, condemnation or seizure of, or the requisition for use of, such Item which shall have resulted in the loss of possession of such Item for 180 or more consecutive days; or (f) the theft or disappearance of such Item which shall have resulted in the loss of possession of such Item by MBTA for sixty (60) or more consecutive days.

"Event of Nonappropriation" means a failure by MBTA to make full payment of a Rental Payment on a Rental Payment Due Date during a Fiscal Period with respect to which an Appropriation has not occurred.

"Excess" means the sum of

(i) the excess of

(A) the aggregate amount earned on all Nonpurpose Investments (other than investments attributable to an excess described in this subparagraph) attributable to the Gross Proceeds of the Certificates, including those in the Certificate Fund and the Equipment Lease Fund, over

(B) the amount which would have been earned if such Nonpurpose Investments were invested at a rate equal to the yield (determined in accordance with the Rebate Provision) on the Certificates to which such Gross Proceeds are attributable, plus

(ii) any income attributable to the Excess described in subparagraph (i) above.

The amount of any calculated Excess shall be reduced by any payments made to the United States pursuant to Section 4.3(c) of the Equipment Trust Agreement. The terms "Nonpurpose Investment" and "Gross Proceeds" shall have the meanings given in the Rebate Provision. Earnings on amounts deposited in the Certificate Fund allocable to Certificates shall be excluded from the calculation of any Excess if the gross earnings on such amounts for the Rebate Year are less than \$100,000 (or a pro rata portion of \$100,000 in the case of a short Rebate Year for the Certificates).

"Fair Market Sales Value" shall have the meaning specified in Section 7.3 of the Municipal Sublease.

"Fiscal Period" means the period of time for which funds are periodically budgeted or appropriated to MBTA and during which MBTA may unconditionally dispose of such funds in accordance with its budget.

"Funds" means the Certificate Fund, the Equipment Lease Fund and the Rebate Fund.

"Generally Accepted Accounting Principles" means those accounting principles applicable in the preparation of financial statements, as promulgated from time to time by the Financial Accounting Standards Board or such other body recognized as authoritative by the American Institute of Certificate Public Accountants.

"Government Approvals" means all authorizations, consents, licenses, approvals, certificates, waivers, exceptions, orders, variances, filings, recordings and declarations of or with any Governmental Authority.

"Governmental Authority" means any nation or government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Government Securities" means direct obligations of, or obligations unconditionally guaranteed as to full and timely payment by, the United States of America.

"Independent" or "independent" means, with respect to a certified public accountant or an appraiser, a Person (a) who is not an officer or employee of MBTA and (b) which is not a partnership, corporation or association having a partner, director, officer, member or substantial stockholder who is an officer or employee of MBTA; provided, however, that the fact that such Person is retained regularly by or transacts business with MBTA shall not make such Person an employee within the meaning of this definition.

"Interest Account" means the account so designated as part of the Certificate Fund and established pursuant to Section 4.1 of the Equipment Trust Agreement.

"Interest Component" means that portion of a Rental Payment, or that portion of any payment in respect of a Certificate, designated as interest.

"Item" or "Item of" or "Item thereof" means each commuter rail passenger comprising a part of the Equipment.

"Interest Payment Date" means each February 1 and August 1, commencing on February 1, 1990.

"Investment Grade" means having a rating of A1 or higher by Moody's and AA or higher by S&P. If either Moody's or S&P shall for any reason no longer perform the functions of a securities rating agency, "Moody's" or "S&P", as the case may

be, shall be deemed to refer to any other nationally recognized securities rating agency designated by the ETA Trustee, with the consent of MBTA and the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy), and in such event "Investment Grade" shall mean the securities rating by such agency which is equivalent to A1 or higher by Moody's or AA or higher by S&P.

"Lessee" means, as used in the Municipal Lease, the ETA Trustee.

"Lessor" means, as used in the Municipal Lease, MBTA.

"Lessor Lien" or "Lessor Liens" means any Lien or disposition of title which results from a claim against or act of, or failure to act by, the ETA Trustee that is not a claim against or act of MBTA and either (a) results from claims against the ETA Trustee not related to the Municipal Transaction, (b) results from an affirmative act of the ETA Trustee, which is neither required nor permitted to be taken by the ETA Trustee pursuant to a provision of any Municipal Document nor consented to by MBTA nor taken as a result of the occurrence and continuance of a Municipal Sublease Event of Default as permitted under the Municipal Sublease, or (c) results from nonpayment by the ETA Trustee of any taxes imposed on such Person or the consolidated group of taxpayers of which such Person is a part which MBTA is not required to indemnify against pursuant to any of the Municipal Documents or is so required and has made such indemnification payment.

"Lien" means any mortgage, pledge, lien, charge, encumbrance, security interest or lease in the nature thereof (including any conditional sale agreement, equipment trust agreement or other title retention agreement) or the filing of, or agreement to give, any financing statement under the Applicable Law of any jurisdiction.

"Manufacturer" means Bombardier Inc., Rail Transit Division of Quebec, Canada, a company organized and existing under the laws of the Province of Quebec, Canada, and its successors and assigns.

"MBTA" means Massachusetts Bay Transportation Authority, a body politic and corporate and a political subdivision of the Commonwealth, and its successors.

"MBTA Investment Instructions" means the written investment instructions delivered to MBTA by Special Counsel, as amended or superseded from time to time.

"MBTA Power of Sale" means the power of sale granted to the ETA Trustee by MBTA in, and exercisable by the ETA Trustee or by or at the direction of the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy) in accordance with, Article XI of the Equipment Trust Agreement.

"Moody's" means Moody's Investors Service, Inc., a Delaware corporation, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the ETA Trustee, with the consent of MBTA and the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy).

"Municipal Documents" means the Equipment Trust Agreement, the Municipal Lease, the Municipal Sublease, the Contract for Financial Assistance and other related documents in connection with the Municipal Transaction.

"Municipal Lease" means the Lease Agreement, dated as of August 15, 1990, by and between MBTA, as lessor, and the ETA Trustee, as lessee, as such agreement may from time to time be amended, modified or supplemented in accordance with the applicable provisions thereof.

"Municipal Lease Term" means the term of the Municipal Lease, as set forth in Article IV of the Municipal Lease, which term shall begin and end on the same days that the Municipal Sublease Term begins and ends.

"Municipal Sublease" means the Sublease Agreement, dated as of August 15, 1990, by and between the ETA Trustee, as sublessor, and MBTA, as sublessee, as such agreement may from time to time be amended, modified or supplemented in accordance with the applicable provisions thereof.

"Municipal Sublease Default" means an event or condition which, with the giving of notice or lapse of time or both, would constitute a Municipal Sublease Event of Default.

"Municipal Sublease Event of Default" shall have the meaning specified in Section 11.1 of the Municipal Sublease.

"Municipal Sublease Stipulated Loss Value" as of any Municipal Sublease Stipulated Loss Value Date during the Municipal Sublease Term means, with respect to any Item of Equipment, an amount determined by multiplying the Sublessor's Cost thereof by the percentage specified in Schedule B to the

Municipal Sublease opposite the Municipal Sublease Stipulated Loss Value Date with respect to which the amount is determined.

"Municipal Sublease Stipulated Loss Value Date" means each date set forth on Schedule B to the Municipal Sublease.

"Municipal Sublease Term" means the term of the Municipal Sublease, as set forth in Section 3.1 of the Municipal Sublease.

"Municipal Transaction" means the manufacture, purchase, ownership, financing, leasing, operation, maintenance, storage, return and disposition of the Equipment as described and contemplated by the Municipal Documents.

"Obsolete Parts" has the meaning specified in Section 6.4 of the Municipal Sublease.

"Officer's Certificate" means (a) with respect to MBTA, a certificate executed on behalf of MBTA by its duly authorized Chairman, General Manager, Treasurer-Controller or General Counsel (or by any duly authorized person holding any such office in an "Acting" capacity), signing alone, and (b) with respect to the ETA Trustee, a certificate executed on behalf of the ETA Trustee by an Authorized Officer of the ETA Trustee.

"Outstanding" in connection with the Certificates means, as of the time in question, all Certificates executed and delivered under the Equipment Trust Agreement, except:

(a) Certificates theretofore cancelled or required to be cancelled thereunder;

(b) Certificates for which the necessary amount for the payment or redemption thereof shall have been or shall concurrently be deposited with the ETA Trustee other than by the Certificate Insurer; provided, that if such Certificates are being redeemed prior to maturity, the required notice of redemption shall have been given or provisions satisfactory to the ETA Trustee shall have been made therefor; and

(c) Certificates in substitution for which other Certificates have been executed and delivered pursuant to Article II of the Equipment Trust Agreement.

In determining whether the Owners of a requisite aggregate principal amount of Certificates Outstanding have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions of the Equipment Trust Agreement, unless all Certificates Outstanding are so held, Certificates which are owned by or on behalf of MBTA or any Person controlling, controlled by or under common control with

MBTA shall be disregarded for the purpose of any such determination.

"Owner" or "Certificate Owner" means the registered owner of a Certificate.

"Parts" means all appliances, parts, instruments, appurtenances, accessories, furnishings and other equipment of whatever nature so long as the same shall be incorporated or installed in or attached to any Item of Equipment or so long as the ETA Trustee retains a leasehold interest therein in accordance with Section 6.3 or 6.4 of the Municipal Sublease after removal from such Item prior to the expiration or termination of the Municipal Sublease.

"Permitted Liens" means (a) the rights of the ETA Trustee in and to the Equipment pursuant to the Equipment Trust Agreement, the Municipal Lease and the Municipal Sublease, (b) the subordinate rights of others under agreements or arrangements to the extent expressly permitted by the terms of Section 10.1 of the Municipal Sublease, (c) Lessor Liens, (d) Liens for taxes, assessments, charges or other governmental levies either not yet due or being contested in good faith by appropriate proceedings promptly initiated and diligently prosecuted, but only so long as (i) such proceedings do not involve any material danger of the sale, forfeiture or loss of any Item of Equipment, or any interest therein, and (ii) adequate reserves are maintained in accordance with applicable accounting principles with respect to such Liens, (e) materialmen's, mechanics', carriers', workmen's, repairmen's, employees', or other like Liens arising in the ordinary course of business for amounts the payment of which is not overdue for a period in excess of thirty (30) days or are being contested in good faith by appropriate proceedings promptly initiated and diligently prosecuted but only so long as (i) such proceedings do not involve any danger of the sale, forfeiture or loss of any such Item, or any interest therein and (ii) adequate reserves are maintained in accordance with applicable accounting principles with respect to such Liens, and (f) Liens arising out of judgments or awards against MBTA with respect to which an appeal or proceeding for review is being diligently prosecuted in good faith and with respect to which a stay of execution shall have been secured or an appeal bond shall have been filed pending such appeal or proceeding for review but only so long as (i) such proceedings do not involve any danger of the sale, forfeiture or loss of any such Item, or any interest therein, and (ii) adequate reserves are maintained in accordance with applicable accounting principles with respect to such judgments or awards.

"Person" means an individual, a corporation, a partnership, an unincorporated organization, an association, a joint stock

company, a joint venture, a trust, an estate, a government or any agency or political subdivision thereof or any other entity.

"Principal Account" means the account so designated as part of the Certificate Fund and established pursuant to Section 4.1 of the Equipment Trust Agreement.

"Principal Component" means that portion of a Rental Payment, or that portion of any payment in respect of a Certificate, designated as principal.

"Principal Payment Date" means each August 1, commencing August 1, 1991.

"Rebate Fund" means the special trust fund of MBTA created and established under Section 4.1 of the Equipment Trust Agreement and to be held and administered by the ETA Trustee as provided in Section 4.3 of the Equipment Trust Agreement.

"Rebate Instructions" means written instructions delivered to MBTA by Special Counsel for compliance with the Rebate Provision, compliance with which, in the opinion of Special Counsel, is necessary to and will result in compliance with the Rebate Provision.

"Rebate Provision" means Section 148(f) of the Code and Treasury Regulations effective or proposed thereunder.

"Rebate Year" means each one year period (or shorter period from the date of issuance of the Certificates) ending on July 31.

"Record Date" means with respect to each Interest Payment Date, the fifteenth (15th) day of the calendar month preceding the month during which such Interest Payment Date occurs.

"Redemption Date" means the date specified by the ETA Trustee in a redemption notice to Certificate Owners as the date on which one or more Certificates will be redeemed.

"Rental Payment Due Date" means each February 1 and August 1 during the Municipal Sublease Term, commencing February 1, 1991.

"Rental Payments" means the amounts payable by MBTA as rent for the use of the Equipment pursuant to Section 4.2 of the Municipal Sublease.

"S&P" means Standard & Poor's Corporation, a New York corporation, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P"

shall be deemed to refer to any other nationally recognized securities rating agency designated by the ETA Trustee, with the consent of MBTA and the Certificate Insurer (so long as the Certificate Insurer is not then in default under any of its payment obligations under the Certificate Insurance Policy).

"SB" means Shawmut Bank, N.A., a national banking association, in its individual capacity.

"Securities Act" means the Securities Act of 1933, as may be amended from time to time, and the rules and regulations promulgated thereunder.

"Special Counsel" means Goodwin, Procter & Hoar, or any successor thereto that is a nationally recognized bond counsel and expert on tax matters, or if there be no successor, Counsel.

"Sublessee", as used in the Municipal Sublease, means MBTA.

"Sublessor", as used in the Municipal Sublease, means the ETA Trustee.

"Sublessor's Cost" as of any date means, with respect to any Item of Equipment, the amount listed opposite the Manufacturer's Identification Number therefor in Schedule C to the Municipal Sublease under the heading "Sublessor's Cost."

"Substitute Equipment" has the meaning specified in Section 7.3 of the Municipal Sublease.

"Tax" means any and all fees (including, without limitation, documentation, license, recording, filing and registration fees), taxes (including, without limitation, income, franchise, gross receipts, value added, turnover, sales, use, property (tangible and intangible), stamp and excise taxes), levies, assessments, imposts, duties, charges or withholdings of any nature whatsoever, as now or hereafter existing, imposed by any jurisdiction or taxing authority or other Governmental Authority, including, without limitation, the United States of America and the Commonwealth, together with any and all penalties, fines, additions to and tax and interest thereon.

"Time Deposits" means and includes negotiable or non-negotiable certificates of deposit or time deposits issued by any national bank, savings bank, banking company or trust company (including SB and any banks affiliated with SB), provided such issuing institution has long-term obligations rated at least A3 from Moody's and at least A- from S&P.

"Trustee" or "ETA Trustee" means SB, in its capacity as trustee pursuant to the Equipment Trust Agreement, or any duly appointed successor trustee.

"Trustee Investment Instructions" means the written investment instructions delivered to the ETA Trustee by an Authorized Officer of MBTA on or prior to the Closing Date, as amended or superseded from time to time.

DP-3945/d
8/26/90
CR.010

16984 / B

RECORDATION NO. _____ FILED 105

AUG 30 1990 - 2:45 AM
INTERSTATE COMMERCE COMMISSION

EQUIPMENT TRUST AGREEMENT

Dated as of August 15, 1990

by and between

SHAWMUT BANK, N.A., as Trustee

and

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY

97 Bombardier Commuter Rail Passenger Coaches

EXHIBIT A

DESCRIPTION OF EQUIPMENT

The Equipment which is the subject of the Lease Agreement consists of ninety-seven (97) commuter rail passenger coaches manufactured by Bombardier Inc., and designed for push-pull operation in a train consisting of up to eleven cars. The cars are of two types: control trailer cars which are equipped with an enginemans's control compartment and blind trailer cars which are not equipped with controls. The control trailer car configuration permits control of the locomotive from the enginemans's control compartment which converts into a normal vestibule area when the locomotive is leading. Although the control trailer car will normally be located at the end of the train farthest from the locomotive, a control trailer can be placed in any position throughout the train, in which case it will function as a blind trailer car. Both the control trailer car and the blind trailer car have a total seating capacity of 122 passengers with a seating arrangement comprising 22 triple seats, 24 double seats, 1 bulkhead double seat, 1 double folding seat without wheelchair tiedown device, and 2 double folding seats with wheelchair tiedown device. The cars will be used by the MBTA in connection with its commuter rail service.

Each coach is more particularly described below:

	<u>MBTA</u> <u>IDENTIFICATION NUMBER</u>	<u>MANUFACTURER'S</u> <u>IDENTIFICATION NUMBER</u>
1.	600	399
2.	601	401
3.	602	403
4.	603	405
5.	604	407
6.	605	409
7.	606	411
8.	607	413
9.	608	415
10.	609	417
11.	610	419
12.	611	421
13.	612	423
14.	613	425
15.	614	427
16.	615	429
17.	616	431
18.	617	433
19.	618	435
20.	619	437

	<u>LESSOR'S</u> <u>IDENTIFICATION NUMBER</u>	<u>MANUFACTURER'S</u> <u>IDENTIFICATION NUMBER</u>
21.	620	439
22.	621	441
23.	622	443
24.	623	445
25.	624	447
26.	625	449
27.	626	451
28.	627	453
29.	628	505
30.	629	507
31.	630	509
32.	631	511
33.	632	513
34.	633	515
35.	634	517
36.	635	519
37.	636	521
38.	637	523
39.	638	525
40.	639	527
41.	640	529
42.	641	531
43.	642	533
44.	643	535
45.	644	537
46.	645	539
47.	646	541
48.	647	543
49.	1600	398
50.	1601	400
51.	1602	402
52.	1603	404
53.	1604	406
54.	1605	408
55.	1606	410
56.	1607	412
57.	1608	414
58.	1609	416
59.	1610	418
60.	1611	420
61.	1612	422
62.	1613	424
63.	1614	426
64.	1615	428
65.	1616	430
66.	1617	432
67.	1618	434

	<u>LESSOR'S</u> <u>IDENTIFICATION NUMBER</u>	<u>MANUFACTURER'S</u> <u>IDENTIFICATION NUMBER</u>
68.	1619	436
69.	1620	438
70.	1621	440
71.	1622	442
72.	1623	444
73.	1624	446
74.	1625	448
75.	1626	450
76.	1627	452
77.	1628	504
78.	1629	506
79.	1630	508
80.	1631	510
81.	1632	512
82.	1633	514
83.	1634	516
84.	1635	518
85.	1636	520
86.	1637	522
87.	1638	524
88.	1639	526
89.	1640	528
90.	1641	530
91.	1642	532
92.	1643	534
93.	1644	536
94.	1645	538
95.	1646	540
96.	1648	544
97.	1650	548